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ABSTRACT

This yearbook, consisting of 15 papers, deals with the revitalization of basic business education at all levels of instruction. The focus of the papers is on revitalizing basic business education in general, revitalizing the subject areas of basic business eudcation, revitalizing business education through instructional strategies, and revitalizing basic business programs at specific instructional levels. Included in the volume are the following papers: "Basic Business Revisited," by Anne Scott Daughtrey and Robert Lee Baker, Jr.; "Current Issues and Implications for the Revitalization of Basic Business," by Les R. Dlabay; "The Impact of Consumer Education on Basic Business," by David Graf; "The Impact of Economic Education on Basic Business," by John E. Clow; "The Importance of Free Enterprise Education," by Gary R. Smith; "The Importance of Education for Small Business Management," by James Calvert Scott; "Business Law: Its Role in Basic Business Education," by Steven Golen; "The Role of General Business Education in Basic Business," by Thomas B. Duff; "Methods and Materials for Revitalizing Basic Business," by Betty J. Brown; "Effective Instructional Patterns for Revitalizing Basic Business," by Frank M. Busch, Jr.; "Basic Business Programs for Students with Special Needs," by Debra K. Kellerman; and "Basic Business Teacher Education Programs," by Charles R. Hopkins. (MN)

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Revitalization of Basic Business Education At All Instructional Levels

NATIONAL BUSINESS EDUCATION YEARBOOK, NO. 20

Editor: Eugene Jones
Northeast Louisiana University
Monroe, Louisiana

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PART I

THE REVITALIZATION OF BASIC BUSINESS EDUCATION

CHAPTER 1

Basic Business Revisited

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To "revisit" a place, one must have been there before. *Revisiting*, therefore, is an appropriate term to apply to a discussion of an area that has been a part of business education for over half a century. It is also an appropriate term when one considers the copious treatment of basic business and economic education in the literature over at least the past three decades; no professional business educator could easily have avoided prior "visits" with the basic business phase of the discipline. Finally, the term *revisited* is appropriate to the purpose of Chapter 1 of this yearbook, whose theme is the revitalization of basic business education at all instructional levels.

The purposes of this chapter are to provide a foundation for a common understanding of basic business and to set the stage for discussions on its revitalization in the chapters which follow. To establish this framework, this chapter will encapsulate four background areas: (1) a definition of basic business; (2) the objectives of basic business education; (3) a review in historical perspective of the need for basic business education, including a discussion of some of the events and agencies of the past that have influenced it; and (4) an introduction of some current movements and trends that are having an impact on basic business education and have implications for its future.

DEFINITION

In order to understand the definition of basic business, one should consider it within the framework of general education and economic education.

General education is that part of the total educational program provided to help all students attain the basic knowledge, skills, abilities, understandings, and attitudes that will enable them to become worthy human beings and effective members of society. General education is the counterpart of specialized education, which serves differing individual interests and needs. Through general education, schools seek to achieve the broad objectives of education common to all persons; general education is, in fact, often called "common learnings."

Economic education comprises a large segment of general education. The purpose of economic education is to develop economic literacy, which all citizens need in order to function effectively in their roles as consumers, workers, and citizens in American society. Economic education includes the knowledge, skills, abilities, and understandings everyone should have to (1) effectively carry out their personal day-to-day economic activities; (2) understand the nature, organization, and development of the American enterprise system; the resources, institutions, and values through which it answers the fundamental economic questions of its citizens; and how it compares with other systems; and (3) base their personal and societal economic decisions on sound reasoning, through an analysis of alternatives and their implications for themselves as citizens and for the society in which they live.[1]

Business education is one of many disciplines which contribute to economic education; but since it is by nature almost totally economics oriented, business education's contribution is significant. One of two aspects of business education, basic business is that aspect which contributes to economic literacy and therefore to the general education of everyone. Its goals are synonymous with the goals of economic education. (The second aspect, vocational business education, contributes to specialized education, but it is not germane to this Yearbook.)

Basic business education can be defined as that broad area of knowledge that deals with the American enterprise system, identifies and explains the role of business as an American economic institution, and provides content and experiences that prepare individuals for effective participation as citizens, workers, and consumers in American society. Moreover, basic business is a part of the general education of all individuals because its content helps them develop an understanding of business as a basic institution in the American social process, of the role of business in the economy, and of individuals' economic roles in relation to both their personal needs and to the economy as a whole. Further, basic business content aids the individual in developing a functional knowledge of the role of American business in relation to world affairs.[2]

Basic business education may be implemented in a variety of ways at different instructional levels. In the elementary and middle schools, instruction is usually integrated into the social studies curriculum and is often a part of the "survival skills" program. In the junior and senior high schools, basic business education is usually offered through such subjects as general business, business law, consumer economics, business principles and management, and economics. Basic business content is sometimes offered in other departments, such as social science and math. At the college and university levels, basic business knowledge is often included in general education requirements, such as economics and social studies. The revitalization of basic business education at all levels will be discussed in Part IV.

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[1]Daughtrey, Anne Scott. *Methods of Basic Business and Economic Education*. Second edition. Cincinnati: South-Western Publishing Co., 1974. p. 41.

[2]*Ibid.* pp. 41-42.

OBJECTIVES OF BASIC BUSINESS

Although the objectives of basic business have changed little since the thirties, the emphasis on different objectives has shifted with our society's economic and political changes. As pointed out in the historical sketch, emphasis has shifted from vocational to business principles and consumerism, to economic concepts and career awareness, to the broad goal of economic literacy, which is paramount in today's basic business. No doubt this adaption to socioeconomic conditions has contributed to the survival of basic business education. Economic literacy is a broad objective and the program designed to help students achieve it, as noted in the definition of economic education, must include both personal and societal objectives.

Statement of objectives. Many acceptable sets of objectives of basic business have been published over the years. The following widely disseminated set is representative:

> Basic business should aid in developing within an individual—
>
> 1. The knowledge, skills, abilities, and attitudes that will enable him or her to use sound reasoning in making personal business decisions as a consumer of goods and services.
> 2. An understanding of and an appreciation for the American business enterprise system, emphasizing both the privileges and responsibilities for participating in, preserving, and improving it.
> 3. A level of economic literacy sufficient to enable the individual to analyze alternatives, to make reasoned judgments and sound decisions, and to take intelligent actions as a citizen in a democratic society.
> 4. An acquaintanceship with the broad range of occupational opportunities in the business sector of the economy.[3]

Accomplishing some of these objectives will be easier to do than others. However, attention should be given not only to those cognitive learnings where performance can be easily measured but also to those affective learnings which will eventually determine the quality of life which that individual will enjoy and ultimately the survival of the American free enterprise system. The revitalization of instructional strategies to accomplish these objectives will be discussed in Part III.

It is clear that these objectives are economic in nature and should be directed toward all students as part of their general education. With the introduction of competency testing, it is becoming apparent that basic business courses can meet the personal business and consumer competencies which are included as "survival skills" on the basic competency tests required of all students.

THE NEED FOR BASIC BUSINESS EDUCATION IN HISTORICAL PERSPECTIVE

Meeting the need for basic business education is a widely accepted part of the current philosophy of business education. It was not always so. But

[3]Daughtrey, Anne Scott; Ristau, Robert; and Baker, Robert Lee, Jr. *Basic Business and Economic Education—Learning and Instruction*. Cincinnati: South-Western Publishing Co., 1982.

the need for economic literacy intensifies as the American economy becomes more complex. That is understandable when one realizes that the success of our system is contingent upon enlightened participation of all its citizens.

Among the many great privileges of American citizenship is economic freedom. Americans are free to choose their careers, buy from the marketplace whatever product or service suits their fancies, pay cash or buy on credit, buy or rent a home, travel throughout the nation, change jobs as they choose, join a labor union, vote for whomever they choose or not vote at all, start a business, make a profit or a loss, or go bankrupt and start again. In no other nation do citizens enjoy as much freedom to shape their economic destinies.

While this freedom is exhilarating, it also is an awesome responsiblity for the individual who must learn to make the best decision for his or her own interests. In today's complex society, the need has never been greater for an educational program to prepare people to make their business and economic decisions more effectively. Business education has assumed a large role in that endeavor. A look at the historical development of business education will show that the role developed over a long period. Only a brief sketch is presented here to highlight some of the landmark events and influences which have broadened the philosophy of business education to include basic business.

The nineteenth century. Business education, of course, began as a vocational program. The seeds of the current vocational curriculum were sown in the nineteenth century. An early landmark event was the addition in 1823 of bookkeeping to the curriculum of the first public high school, paving the way for the comprehensive high school. During the latter half of the century, the private commercial college developed a curriculum which was later to be adopted almost in total as the standard high school business education curriculum. Included in addition to the skills courses were several enrichment vocational courses, such as "commercial geography" and "commercial law," which were later to be classified as basic business subjects in the high school program.

The establishment of the Wharton School of Finance and Commerce in 1881 marked the beginning of collegiate education for business and the business administration program. Another significant event was the organization of the first commercial high school in 1890; it separated the commercial and college-preparatory curriculums. These commercial schools remained popular vehicles for business education, especially in the larger cities, for half a century. This separate emphasis on vocational business education—the total program at the time—would in the next century create problems for the accommodation of the newer basic business phase and delay the acceptance of the dual philosophy of business education.

Moving into the twentieth century. Pondering what education should do and be is an ancient philosophical exercise. Public education in America, now 80 years old, was in the new century coming increasingly under public scrutiny. The National Education Association examined and reported on

various phases of education. Three of these reports—in 1903, 1915, and 1919—included recommendations for initiating, expanding, or reorganizing business education in the public schools. Though two texts credited with being the first "general business" texts were published in 1903[4] and 1918[5], business education at the time was "commercial education" and entirely vocational.

The Smith-Hughes Act of 1917 began the era of federal funding for vocational education. Though business education benefited peripherally from federal funding, it would be almost a half century before it would be cited by name for benefits.

The most significant educational statement in the first two decades was published in 1918 by the U.S. Bureau of Education's Commission on the Reorganization of Secondary Education. The report, stressing individual-society-education interdependence, became known as the "seven cardinal principles" of education. The inclusion of "vocation" and "citizenship" among the purposes created a friendlier climate for business education in public education than it had previously enjoyed.

Probably the most significant development in business education in the early decades was the introduction of "junior business training" into the junior high school, an educational unit created by the reorganization of secondary education following World War I. Under the leadership of Frederick G. Nichols, who had surveyed business to determine the availability of low-level clerical jobs, the course offered elementary training in clerical skills to the potential dropout. Under changed objectives and content, the course would a decade or so later become the cornerstone subject of basic education—general business.

The twenties and the thirties. These were turbulent decades. The nation in the twenties was experiencing explosive growth. Business expanded; demand and markets increased; employment was high; inflation spiraled. A few people were beginning to recognize the need for helping consumers manage their money more effectively. ZuTavern's *Introduction to Business*, published in 1926, was a high school text directed toward this goal. The author emphasized educating the student as a consumer as well as an employee, stating that "general principles must come before specialization."[6] Most business education, however, still concentrated on job training.

Then came the Depression. Millions were unemployed. Competition in the marketplace for the consumers' scarce dollars was fierce and sometimes unfair. Unwise buying practices, low-quality goods, overextended credit, and high interest rates spotlighted the need for consumer education. Its introduction into public education marked the beginning of basic business instruction originating as a part of general education. Other subjects now considered basic were changed from vocational to general aims. As history records, the most significant change was the redirection of junior business training to general business. It became one of the junior high school

[4]Teller, William P., and Brown, Henry E. *A First Book in Business Methods*. Chicago: Rand, McNally and Co., 1903.

[5]Nichols, Parks, and Gross, Murray. *Elements of Business*. New York: American Book Co., 1918.

[6]ZuTavern, A. B. *Introduction to Business*. Cincinnati: South-Western Publishing Co., 1926. p. 5.

"survey" courses, along with general math, general language, and others. The early course stressed business principles and consumer practices.

High unemployment during the Depression affected both students and business educators. Once popular job-training courses lost their appeal when there were no jobs. Business teachers, fearing loss of jobs with decreasing enrollment in skill subjects, began to emphasize basic business courses. This was perhaps the beginning of the change in the philosophy of public school business education to include both vocational and basic business objectives.

Another event of the thirties was to affect education for decades. In 1938 the National Education Association published its Educational Policies Commission report on the Commission's three-year study of education. The report cited four purposes of education, which are still considered current. Two of the purposes were "economic efficiency" and "civic responsibility." These two purposes tended to validate the basic phase of business education, and the two-fold philosophy began to establish a foothold which would slowly but surely gain strength. But since there was no assignment to the various disciplines for achieving these objectives, the content was absorbed by several departments. Interestingly, ZuTavern, in describing the 1936 edition of his business principles book, by then entitled *The Business of Life*, recognized the interdisciplinary claims of basic business content this way:

> . . . Being a borderline course, the subject matter may be made available to every pupil in the school by using it in commercial, social science, orientation, guidance, or various other courses.[7]

Every business educator will recognize this statement as representative of a very current issue.

The years of World War II. The lofty aims of basic business education for all launched in the thirties were almost lost in the cry for skilled workers during the Great War years. With so much manpower diverted to the war effort and with a frenzied war economy, job training dominated business education in the forties. Even so, the literature records the efforts of some to keep the basic business "fires" burning. The 1942 Eastern Commercial Teachers Association Yearbook and the 1944 American Business Education Yearbook contain notable examples.

In 1946, the United Business Education Association was organized, changing its name in 1962 to the National Business Education Association. The organization from its start has promoted the dual philosophy of business education in both independent actions and in joint efforts with such agencies as the Department of Education, the National Education Association (NEA), the National Association of Secondary School Principals (NASSP), Delta Pi Epsilon (DPE), the Policies Commission for Business and Economic Education (PCBEE), and the Joint Council on Economic Education (JCEE), some of which would later be organized.

One of the organizations predating NBEA was the NASSP. In 1945, this administrators group published Wilhelms' *Consumer Education Series*,

[7] *ZuTavern's Bulletin for Business Educators*. South Pasadena: Commercial Textbook Company, Ltd. Bulletin No. 22, October 1936. Centerleaf.

culminating the NASSP's Consumer Education Study. This was a hallmark publication in consumer education. In 1949, the NASSP devoted an entire issue of its *Bulletin* to business education.

Another event which occurred in 1949 was to have far-reaching effects on basic business. At this time the Joint Council on Economic Education was formed for the purpose of improving the teaching of economics in the schools. Its broad program of economic education now includes teacher education workshops, seminars, and materials development administered through the Council, its 49 state councils, 205 centers in colleges and universities, and many school systems. Activities in which JCEE has cooperated with NBEA, DPE, and other organizations in promoting basic business and economic education are too numerous to cite here. Some notable projects will be discussed in the section on basic business in the present.

The fifties and sixties. Few major changes occurred in business education in the fifties. A publication which created much concern among the public and in education was the Brookings Institution Report in 1951 citing the low level of economic literacy among Americans. This provided impetus to the work of the newly organized JCEE and provided support for the promoters of basic business.

In 1959 the NEA and DPE founded the Policies Commission on Business and Economic Education, an independent body created to provide a unified voice for the profession through research into issues and the preparation of position statements on the issues. The first two statements were issued in 1961; one identified economic education as one of two purposes of the profession and recommended a one-year course in business-economic education as a part of every student's general education. This and subsequent statements of the Commission have been highly influential in shaping the philosophy of business education.

The fifties and sixties were turbulent decades. The Korean Conflict, the launching of Sputnik, racial integration, the Vietnam War, the Cuban Crisis, political assassinations, the disenchantment of youth, campus unrest, the new consumer movement, the moon landing and subsequent resource reallocation, and concurrent inflation and unemployment were among the many problems the nation faced during these years. Most seemed to underscore the need for more and better economic education. Several events and publications reflect this. In 1958, the American Business Education Yearbook, *Educating Youth for Economic Competencies*, was published; it was the first yearbook devoted exclusively to basic business. In 1961, NBEA published *Business and Economic Education for the Academically Talented*, the result of a cooperative study with NEA. In 1962, NBEA was formally affiliated with JCEE through representation on the Council's Board of Trustees; in 1969 the two organizations jointly published *Two Decades of Partnership in Economic Education*. In 1963, the Vocational Education Act (VEA) was passed, enlarging the scope of vocational education and citing business education as a participant. Expanding in 1968, the VEA provided funds which engendered a major reorganization of

business education, including the vocational block design which now permeates the profession. Many basic business education subjects were eliminated from the curriculum; in some cases some of the content was integrated into the block design, but several basic business education electives which had attracted nonbusiness students were lost. While this design improved vocational business education, it contributed to the delimitation of basic business subjects. It also renewed interest in the need that was becoming increasingly noted in the literature for basic business offerings to be refined and offered in a sequence. The most frequent suggestion was for an introductory course at the ninth grade level and an advanced basic business course in the twelfth grade. Arguments pro and con are still heard.

The NASSP focused on economic education in two of its *Bulletins* in the sixties: in 1965, *Economic Education: Continuing Conquest in the Schools* and in 1967, *Consumer Education: Its New Look*. Both of these featured basic business education. The PCBEE issued another statement in 1968 reaffirming the profession's commitment to the dual goals of business education. These and many other events of the fifties and sixties reflect the growing acceptance by the profession on basic business as an integral part of its responsibility.

The seventies and the new decade. In 1971, DPE devoted its August *Journal* exclusively to basic business and economic education. Several of its research awards have been for studies on this phase of business education.

Having been launched in the sixties—notably with the Senesh experiment at Elkhart, Indiana—elementary and middle school economic education programs proliferated in the seventies. Business educators have been involved in these programs in only a limited way, although in some middle schools business educators teach basic business courses.

Several movements and trends of the seventies have affected basic business education. Examples include back-to-basics, career education, mainstreaming, accountability, performance objectives, special education, competency testing, survival-skills instruction, free enterprise education, consumer education, entrepreneurial education, teenage population decline, bilingual education, inflation and high interest rates, taxpayers' revolts and financial retrenchment, women's liberation, resource shortages, and environmental concerns. Some have had negative effects on basic business, resulting in lowered enrollment, elimination of courses, and reduction of teaching staff. Others, such as survival-skills instruction, career education, resource shortages, and the consumer movement have emphasized the importance of basic business and economic education for all.

As we entered the eighties, general business continued to lead the basic business subjects and remains second only to typewriting in enrollment. Enjoying somewhat of a revival were business law, business management, and entrepreneurship. Interestingly, the success of the promotion of basic business and economic education and the strength of some of the movements cited above have been such that other disciplines were

becoming increasingly involved in teaching basic business content. The impact of some of these movements will be discussed in Part II.

Many other events, individuals, and agencies have contributed significantly to the development of basic business as an integral part of business education. We have "revisited" the past in this historical sketch of representative hallmarks. To conclude our visit, it is appropriate that we look at some current events and trends and a preview of basic business in the future.

SELECTED CURRENT EVENTS AND TRENDS

"The past is prologue" could have been written specifically about basic business. While change has occurred, few really substantive changes have been made in basic business since its objectives were changed from vocational to general education in the thirties. Why then has basic business remained in the curriculum? Why are there such frequent calls for renewal and revitalization? What is the secret of its staying power?

Basic business is a survivor. One reason is the intensified need for the competencies which its content seeks to develop to enable each of us to function in our increasingly complex society. Another is that basic business has shifted emphases with the changing times. While the changes have not been drastic, they have made the area adaptive to new socioeconomic events over the years.

Many of the events, trends, and movements cited in the historical sketch are still current. Each could be discussed as a separate present influence. However, the purposes of this part can be met by introducing four selected influences which are currently having an impact on basic business. These are present economic conditions, state legislatures, competency testing, and the new directions of the Joint Council on Economic Education.

Present economic conditions. During the seventies and continuing into the eighties, several economic problems have been paramount. Such problems as the energy shortage, high unemployment, high interest rates, inflation, and low worker productivity have made the public at large keenly aware of the importance of economic concepts. In addition, the efforts of the federal government to cut spending, to balance the budget, and to cut taxes have eliminated monies to many programs and have highlighted the need for an understanding of the principle of opportunity cost in order to spend scarce monies wisely. The reduction of government regulations will emphasize the need for wise decision making and the practice of restraint in the free enterprise environment and will also underscore the need for a broad program of economic education. Finally, the trend toward the return to the states of the power over, and the expense of, formerly federally funded programs will bring closer to home the need for the ability to make wise economic decisions. All of these trends, although designed to alleviate the nation's economic problems, tend to create problems of their own. There are not immediate answers to these problems. Since they will be with us for some time, students need to learn as much as possible about the American

economy and its problems so that they can, through enlightened actions, minimize the impact of the problems on their lives.

State legislatures. Many states have mandated and others have strongly urged the inclusion of private enterprise and consumer education into the educational program. These mandates have caught schools unprepared. As a result, there has often been a problem of proliferation of courses or units of instruction in several departments, each trying to do the same job. Part II will address this problem. A need exists for cooperation in eliminating overlapping programs and assigning to each discipline those concepts which each is best prepared to teach and teach effectively. Carried out logically, this action would assure that basic business in the business education department would again be a survivor.

Competency-testing movement. With the emphasis on accountability and the mandates by many states of competency tests designed to measure minimum competencies, basic consumer and economic concepts again received a degree of emphasis. Many concepts taught in the basic business courses are classified on the competency tests as "survival skills." However, the age-old problem of basic business courses being elective again arises. Many feel that a carefully designed basic business sequence would make arguments for required basic business more forceful. A beginning basic business course at the ninth or tenth grade level and an advanced course at the eleventh or twelfth grade level in a sequence required of all students would assure that economic "survival skills" would be taught to everyone. If the basic business content becomes more firmly entrenched in other disciplines, participation by business education in general education will increasingly diminish.

Joint Council on Economic Education. The JCEE has been in existence since 1949 and has maintained as its major goal the increasing of economic literacy of the American public. It has done this through publications and various activities. While the JCEE and business education have worked cooperatively over the years, early emphases of the Council's efforts were more on theoretical economics than practical economics. This channeled most of the resources through economics as a social science; the business education affiliation was more limited. In the late seventies, that began to change. In 1979 the JCEE appointed John E. Clow, a business educator, as the first director of consumer and business economic programs. Many of the programs which he has initiated have shown a new direction for the JCEE. There is a greater cooperation and mutual interest between economists and business educators. This has permitted business teachers to help promote more and better economic education.

One of the new programs is the National Consumer Economics Institute program. Its main objective is promoting an increase in the quantity and quality of economic education through consumer education units and courses. Another is a proseminar program in consumer education, which was held in July 1980 to discuss the interface between consumer and economic education. This program was directed by Judy Brenneke, a former business education teacher.

A LOOK AT THE FUTURE

In spite of the fact that many problems facing basic business are persistent and tenacious, our "revisit" has shown that basic business is a survivor. The outlook for its continued survival is excellent. Current events and trends underscore the need for basic business knowledge and increase the program's viability.

The prevailing economic conditions indicate the need for more emphasis on economic concepts. The state mandates for including private enterprise and consumer education should give even more impetus to the need for basic business education. The need for teaching "survival skills" in order to pass minimum requirements on competency tests should be added incentives to the teaching of basic business. The new programs of the JCEE should help promote more and better economic education.

The need has been well established for the next decade. All that is left to do is for business educators to take the initiative to carry out our commitment to economic education. Business education can no longer pay only lip service to a dual philosophy; it must place appropriate emphasis on the general education objective of economic education. The refinement of basic business content and the development of a sequence of basic business courses should be among our highest priorities. The teacher education programs need to make changes that will better prepare teachers in content, methodology, and motivation to teach economic education. And finally, we need to improve our public relations efforts. The question was posed in 1971, Do we devote too much time and energy explaining ourselves *to ourselves?*[8] The question is timely today. Business educators should agressively seek ways to convince administrators and the public that basic business is an effective vehicle for teaching economic competencies.

The challenge of our future can be summed up in a statement by Musselman and Dickinson in 1968: Our challenge is to find ways and means of "reaching more students with economic concepts, reaching more students more interestingly, and reaching more students more effectively."[9]

This revisit to basic business has attempted to set the stage for the discussions which follow of our challenges and ways and means to meet them.

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[8]Daughtrey, Anne Scott. "Basic Business Education: Role, Problems, and Attack." *Delta Pi Epsilon Journal* 13:4; August 1971. p. 20.

[9]Musselman, Vernon A., and Dickinson, J. A. "The Future Challenge." *Socio-Business Economic Education*. Forty-First Yearbook. Somerset, N.J.: Eastern Business Teachers Association, 1968. p. 249.

CHAPTER 2

Current Issues and Implications for the Revitalization of Basic Business

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The concept of basic business education has long been recognized as a vital component of the business education curriculum. But the emphasis placed on economic understanding and consumer competency varies greatly among business educators. At one extreme is the belief that basic business is a nice, but unnecessary, element of preparing students for the world of work. In contrast, others promote the idea that every student should receive instruction in the areas of business law, career, consumer, economic, and general business education. The growth and development of these courses has been plagued by many differences of opinion regarding basic business education.

Despite extensive research and professional commentary, the debate continues. For basic business education to be viewed with greater significance, the resolution of certain fundamental issues is required. This chapter considers several basic business issues in the areas of (a) curriculum and objectives, (b) content and instructional materials, and (c) teacher preparation. The attempt is not to resolve these controversies but to offer some discussion which may be weighed when planning and implementing the basic business curriculum.

ISSUES RELATED TO BASIC BUSINESS CURRICULUM AND OBJECTIVES

Issue 1: Basic business courses should serve the educational needs of all students.

All too often, basic business education is believed to best serve the needs of low ability students and those without plans for college. While economic understanding and consumer competencies are vital to this group, every student has an essential need for basic business skill development. Every young person will select a career, make consumer purchases, and pay taxes.

From the onset, all business educators must realize that different students will require a different basic business course emphasis. Students with low math ability will dictate a curriculum with remedial work in that area. In contrast, a highly motivated student with plans for college will usually

achieve in the areas of economics and business law. Both students will benefit by the content offered by basic business education.

The "dumping ground" image which has cursed basic business for many decades must be eliminated. Increased emphasis on consumer and economic education by teacher educators, curriculum supervisors, and classroom teachers will serve the varying educational needs of basic business students.

Issue 2: Basic business courses should be included as a component of the total vocational education curriculum.

A generally accepted axiom is that business education serves a dual role. The first is to prepare students for entry-level employment with development of marketable work skills. Secondly, business educators should create an understanding of the fundamental economic concepts which operate in our business world. While this dual philosophy is promoted heavily in the professional literature, frequently the actual emphasis given basic business is low.

Well-prepared business students should not only possess skills in accounting, retailing, or typewriting, but must also be knowledgeable about the business and economic society in which they are employed. Business is hiring an incomplete worker if a person is lacking various career attitudes and competencies. In addition, society will be burdened by an individual not able to properly handle personal and economic choices.

The basic business element of business education has tended to take a back seat to the vocational-oriented curriculum. Government funding of career preparation courses has been a major reason for this lack of emphasis. While the financial motivation for basic business education may not be present, all business educators must realize the vital role these courses play in the total development of students.

Issue 3: A basic business course (consumer education, general business, or economics) should be required of all secondary school students.

Recognizing the value of basic business, many educational agencies have established curriculum guidelines in this area. Several states mandate the study of consumer or economic education for high school students. Other state departments of education have suggested programs of study. In addition, the basic business requirements of local school districts vary from a required course to a recommended four-year program of study.

An ideal situation for a complete basic business education would involve a minimum of two courses for all secondary school students. One course could be a two-semester one developing the concepts usually found in the general business course. This would be at the ninth, tenth, or even eleventh grade level. The other curriculum component, probably a semester in length, could expand on fundamental economic principles and consumer topics as well as develop basic law concepts.

While an ideal situation as described is not always practical, every attempt should be made to expose students to vital basic business concepts. Possible alternatives can include the integration of various economic and

consumer topics in such courses as accounting or cooperative education. These efforts should be designed as a transition to develop and expand a solid basic business curriculum. As teachers plan, implement, and promote basic business classes, students, parents, and administrators will realize the importance of these courses.

Issue 4: The development of basic business concepts should be the sole responsibility of business teachers.

Basic business has never been the unique property of business educators. The contributions of home economics to consumer education and of social studies to economic education have been present for decades. In recent years there has been a renewed and growing interest in the teaching of basic business-related topics by other disciplines. In addition to home economics and social studies, other secondary school departments are including basic business knowledges. English, math, foreign language, music, and art have expanded into teaching such topics as advertising, consumer credit, consumer problems, and career opportunities.

There are two major factors contributing to the increased interest in basic business content. First is the "return to basics" movement. In an effort to make courses more practical, skills related to daily business affairs are being stressed. The second factor involves the problem of declining enrollments faced by many school districts. As the competition for students becomes intense among various departments, every effort will be made to create more attractive programs of study. Student interest in vital concepts obtained in basic business classes may be channeled to other courses.

Economic education, consumer education, and even career education are not the exclusive rights of business education. An increased exposure of students to basic business content will surely benefit all involved. But, an effort must be made to coordinate the various courses and programs. The educational preparation of business teachers places them in a unique position. A background involving business, consumer, and economic education allows the business instructor an opportunity to initiate and develop these content areas.

With the business education department serving as the foundation for the basic business curriculum, others can become involved in the instruction of career, consumer, and economic education. An interdisciplinary approach can be effective instructional strategy which utilizes the strengths of various teachers. Creating the initial working relationship among several disciplines is difficult; but once established, an interdisciplinary approach can provide dynamic instruction.

ISSUES RELATED TO BASIC BUSINESS CONTENT AND INSTRUCTIONAL MATERIALS

Issue 5: Basic business education should emphasize consumer/personal economic concepts rather than business/social economic concepts.

The basic business aspect of business education is founded on the economic environment in which we live. In addition, social and political

factors constantly influence our business setting. The overall goal of basic business education has been to prepare young people for their roles as consumers, workers, and citizens. All too often, the emphasis of most basic business programs has been on the first of these.

Teachers frequently feel most comfortable with the consumer education aspect of basic business because they may lack knowledge of business administration but do have a background of personal buying experiences. This represents one extreme in basic business instruction.

In contrast is the teacher who stresses economic concepts without any practical or personal-level example. This approach will cultivate only limited understanding among students. The recent interest in entrepreneurship can help to stabilize basic business content. While most students will not own or manage a business, skills associated with these experiences can provide practical examples of many business and economic concepts.

Of utmost importance regarding basic business content is the need to balance personal and social economic concepts. Also a major determinant of topic selection should be the needs of the student. While basic consumer skills are valid subject matter for every student, the development of an understanding of basic economic concepts is also a necessity.

Issue 6: Career education should be a primary component of basic business classes.

The foundation of basic business is viewed by most educators as consisting exclusively of economic and consumer concepts. In general, these areas are the main goals of basic business. But a third emphasis, that of career education, is also necessary for a complete curriculum.

Many believe that career education is a part of vocational education and is not related to basic business. Career education is not vocational education. Career education involves the development of concepts regarding work motives, career information sources, and human relations skills.

There are three phases of career education which are vital to basic business. First, career awareness and exploration should develop an understanding regarding employment opportunities and training requirements. Even in the law and consumer courses, career information related to legal and consumer affairs is a legitimate topic of study.

A second aspect of career education for basic business involves career planning techniques. These include skill development regarding letters of application, resumé preparation, and interview techniques. An ability to seek and successfully obtain employment is vital to every person's business existence.

Finally, "occupational survival skills," as labeled by Nelson, are an inherent component of career and basic business education. These skills are described as "the general competencies and attitudes necessary to maintain an occupation."[1] These ongoing career processes include working in an organization, using creativity on the job, and coping with organizational conflict.

[1]Nelson, Robert E. "Teaching Occupational Survival Skills in Business Education Programs." *Business Education World* 59:4, May-June, 1979.

A complete basic business curriculum should serve the educational needs of students regarding career awareness, consumer knowlege, and economic understanding. These three components correlate to the development of young people as workers, consumers, and citizens.

Issue 7: Basic language and mathematic skills should be developed as a part of basic business classes.

Many react negatively to this social mandate because they are concerned with time limitation. Basic business teachers believe they will not be able to rectify language and mathematic deficiencies while teaching the required units of study. At the same time, the nature of the subject matter dictates an ability to communicate and compute.

Every business educator should have an instinctive concern for proper spelling, grammar, punctuation, and sentence structure. Lessons and assignments should include activities which develop and evaluate language skills. Short essays, letter writing, and business terminology quizzes can be quite useful.

Regarding mathematic skills, the basic business teacher also has an obligation. Computational demands are inherent in most business and consumer topics. Many basic business units offer opportunities to develop math competencies. In addition, metric measurements, which have an uncertain future in our society, should be integrated wherever practical.

Most teachers are concerned about student weaknesses regarding language and mathematic efficiency. With appropriate lesson planning, basic business teachers can assist students in these areas. Efforts will not only benefit the learner but also many sectors of our society.

Issue 8: Instructional materials sponsored by business organizations and corporations are appropriate for use in basic business classes.

As a result of their low cost and ease of availability, instructional materials sponsored by business usually receive extensive use in basic business classes. Booklets, teaching units, films, filmstrips, and even sample products are constantly made available to teachers. These materials usually include company names and corporate trademarks. While some of these teaching aids have educational value, others present a biased point of view and serve no other purpose than to promote a particular company or industry.

Quite frequently, teachers use business-sponsored materials without examining the content or presentation. This can result in offering students a prejudiced view of certain topics or other unintended messages. When a fast food company publishes a booklet on nutrition or a credit card company presents the advantages of buying on credit, a biased teaching resource will most likely be the result.

At the same time, an important lesson can be gained by students when using business-sponsored instructional materials. Publications can be scrutinized for possible slanted content. Students should learn to differentiate between messages presented as advertising and those with educational worth.

Care must be exercised in the selection and use of any teaching aid. Potential errors or bias can exist in any class resource. Once a critical view of instructional materials is developed, teachers and students will be able to better select resources which best serve the objectives of basic business education.

ISSUES RELATED TO BASIC BUSINESS TEACHER PREPARATION

Issue 9: Prospective basic business teachers should be required to follow the same program of business administration "core" courses as a student majoring in business administration.

A belief exists among some that a person who has completed a couple of collegiate business courses is qualified to teach basic business. The status of basic business reflects this thinking in that these courses are usually for students who require only limited content coverage. An upgrading of the basic business curriculum will require greater depth of preparation by prospective teachers. This is especially true in the area of business administration courses. Several economics courses and adequate training in business law are highly advised.

The data processing courses will serve the basic business educator in teaching various topics which are computer related. Beyond this, foundation courses in the areas of accounting, finance, management, and marketing complete the business curriculum framework. This type of program, if followed by all prospective business education teachers, can give students flexibility in their career options. Job opportunities will be available in both teaching and in the business sector.

Two additional undergraduate courses which can prove to be beneficial for future basic business teachers are "Introduction to Business" and "Consumer Economics" or "Personal Finance." The introductory business course is usually a survey type which exposes the prospective teacher to many phases of our business environment. The collegiate consumer course will create a knowledge of topics in that area. Finally, the aspiring basic business instructor will probably have available courses on such topics as insurance, investments, money and banking, real estate, and taxes. These can prepare the future teacher regarding specialized areas of basic business education.

Issue 10: Colleges and universities which prepare business education teachers should have a specific curriculum for those interested in teaching basic business courses.

If basic business is to achieve the curriculum status necessary for the adequate development of secondary school students regarding economic and consumer understanding, increased emphasis must be placed on this area by teacher training institutions. Most teacher preparation programs include some involvement in basic business education. But this preservice training is frequently limited to one or two class sessions related to basic business methods with no practical experience instructing secondary school students.

Those who oppose having a specific basic business teacher preparation curriculum have two different points of view. One group believes that basic business should not receive the emphasis given the vocational aspects of business education. They assume that consumer and economic education will evolve with little or no effort. In contrast, the other faction promotes the notion that every prospective business teacher should be prepared to teach basic business. While the latter approach may not always be practical, the former is quite inadequate. A compromise must be secured in order to properly serve the educational demands of basic business programs.

The future basic business teacher requires three elements for potential success. The first is adequate depth of content which is obtained by completion of the undergraduate economics, business law, and other business administration courses. Second, every prospective basic business educator needs the experience of a teaching methods course dedicated specifically to the basic business curriculum. Finally, the preservice program must include student teaching in one or more basic business classes. Every teacher education institution must maintain these minimum standards when preparing secondary school teachers of basic business education.

CONCLUSION

A major criticism of basic business is the attempt to serve many educational roles. While developing economic, consumer, and career concepts as well as fundamental language and mathematic skills, basic business may suffer from the lack of a unified direction. At the same time, this vast content offering has the benefit of flexibility in serving the varied needs of students. As the business education curriculum evolves to meet future demands, the role of basic business must be solidified. While controversies will continue, every business educator has an obligation to become involved in a program of *reaction*, *interaction*, and *action* regarding basic business education.

The business instructor's *reaction* to these issues is the start of the revitalization process. This should include a commitment to the goals of basic business. Also necessary is *interaction* among those responsible for planning and implementing curriculum. Administrators, curriculum supervisors, teachers, and teacher educators must coordinate their endeavors to give new life to basic business.

Finally, *action* must be taken to strengthen this phase of business education. An awareness of new content developments, curriculum materials, and instructional strategies is necessary for revitalization. Improved preparation of business educators regarding basic business is also a prerequisite for the future. These efforts will result in a program which best serves the educational needs of students regarding economic understanding, consumer knowledge, and career awareness.

PART II

REVITALIZING THE SUBJECT AREAS OF BASIC BUSINESS EDUCATION

CHAPTER 3

The Impact of Consumer Education On Basic Business

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Consumer education can be described as business education's "lively art." Those who teach it often become chronic article clippers and habitual pamphlet collectors. Just when they think they are on top of the content situation, a new law is passed or, as is characteristic of the early eighties, an old regulation is overturned. This marketplace flux causes the consumer educator to spend long hours plotting an ever-changing map to be used for directing the most youthful of our consumers.

THE ROLES OF BUSINESS TEACHERS OF CONSUMER EDUCATION

Consumer education has become an important component of basic business. One reason for its importance is that a number of states have outlined suggested curriculums for consumer education while a few other states have actually mandated its teaching. Business teachers with an undergraduate emphasis in economics and business administration brought consumer education into basic business either as a separate course or as a strong component of existing courses.

Interdisciplinary role. Even though consumer education is important to the basic business curriculum, its roots are interdisciplinary—business, home economics, social studies, or other disciplines. This interdisciplinary nature of consumer education has made it necessary for business consumer educators to look to business education as well as outside organizations for leadership.

The Office of Consumers' Education within the U.S. Department of Education provides much of the leadership and direction for consumer education. The typical basic business consumer educator also keeps an organizational eye on the regional and state affiliates of the National Business Education Association, the American Council on Consumer Interests, and in some states, interdisciplinary state consumer organizations. This phenomenon has its advantages and disadvantages. The main advantage is the exchange of fresh ideas and strategies present in an interdisciplinary atmosphere. The main disadvantage is that interdisciplinary organizations cannot afford to concentrate on individual disciplines for

political reasons. Professional business education associations often neglect consumer education in their zeal to defend the vocational aspects of the curriculum. This can leave the business consumer educator without a specific niche.

Leadership role. While the majority of representation on national interdisciplinary consumer education levels comes from home economists, there is strong support on every level (national, state, and local) from business educators. Their influence is felt as textbook authors, officers in interdisciplinary consumer organizations, and as spokespersons for consumer education within business education itself. The efforts of these business consumer educators have made the subject an integral component of basic business.

Competitive role. Basic business teachers who teach consumer education compete against the effect of millions of dollars funneled into schools through the Vocational Education Amendments of 1968. This money is directed to consumer programs under the title of "Consumer and Homemaking Education," placing home economics educators in charge of courses directly funded under this vocational occupation. As a result, business consumer educators have had to be doubly convincing and effective in order to offer the consumer education program in their schools.

Being doubly convincing is not always easy for the business education teacher who is not prepared to teach consumer education. The blame for this condition can be traced to the teacher education institution that offers a curriculum that is devoid of the undergraduate coursework necessary to teach the basic business subjects. This is a situation that places business education majors at a distinct disadvantage for jobs and job satisfaction.

Other competitive influences affecting consumer education come from the variety of groups who have become directly or indirectly involved with the topic. Consumer education is regularly defined and redefined by a variety of these groups involved with its implementation. Groups representing economic education, free enterprise education, career education, insurance education, and labor education as well as groups with philosophies ranging from radical to ultraconservative desire input in shaping the content of consumer education. The consumer educator who is already pressed for time in a 3- to 36-week consumer course is the center of a tug-of-war that further enhances the "liveliness" of this basic business component.

GROWTH OF CONSUMER EDUCATION AS A DISCIPLINE

Consumer education has evolved from the needs of individuals to function effectively in our society. The word consumer and especially the title, consumer education, have had various connotations to educators and to the general public. The consumer was often described as the "sovereign" of the marketplace until the middle 1960's. Consumer education during that period mainly concentrated on aspects of personal finance. From the middle 1960's until the late 1970's, the term consumer turned controversial. Some of the people who previously described the consumer as "sovereign" tried to

discredit the word consumer with connotations of selfishness or even piggishness. Much of this change in attitude was due to the militancy of the consumer movement. It was during this period when schools began to sense the student's need for consumer education, however, and courses came to be added or even mandated.

The 1980's begin with the consumer movement politically on the wane. Even though the consumer movement is being overshadowed by other public concerns, the need for the principles taught in consumer education is stronger than ever.

One measure of the impact a subject matter discipline has on the curriculum is the amount of educational material published to teach it. By this standard, consumer education has had a great impact on both the general school and basic business programs. In fewer than five years, at least four new publishers have joined the existing producers of consumer education textbooks for business educators. These books contain the word consumer in their titles and offer content described as consumer education.

The amount of auxiliary material advanced by the public and private sector is also evidence of the increased interest in consumer education as a discipline. In fact, so many of these materials have been developed that it inspired Sheila Harty to write her controversial book, *Hucksters in the Classroom*, which was published in 1979 by a special interest group, the Center for the Study of Responsive Law.

The past 10 years have seen consumer education's focus broadened from simply personal finance to three general objectives. These objectives were stated by the U.S. Department of Education in 1980 in its call for applications for grants under the Consumers' Education program. Consumer education means the process by which consumers:

1. Develop skills to make informed decisions in the purchase of goods and services in light of personal values, maximum utilization of resources, available alternatives, ecological considerations, and changing economic conditions;
2. Become knowledgeable about the laws, rights, and methods of recourse in order to participate effectively and self-confidently in the marketplace and take appropriate action to seek consumer redress; and
3. Develop an understanding of the consumer citizen role in the economic, social, and government systems and how to influence those systems to make them responsive to consumers' needs.

The definition of consumer education is constantly being updated and refined. The U.S. Office of Consumers' Education has aided in centralizing the focus for a clearer definition of consumer education as well as for objectives that reflect current thinking by curriculum specialists. One refined definition of consumer education states:

> Consumer education is the process of gaining the knowledge and skills needed in managing consumer resources and taking actions to influence the factors which affect consumer decisions.[1]

[1]Bannister, Rosella, and Monsma, Charles. *Classification of Concepts in Consumer Education*. Washington, D.C.: U.S. Office of Consumers' Education, December 1980. p.8.

The final refinement of consumer education as a discipline may not yet have been reached. In 1979, the Office of Consumers' Education funded a grant for the Joint Council on Economic Education to study the integration of consumer education and economic education topics. The result of the grant was a monograph entitled *Integrating Consumer and Economic Education into the School Curriculum*. This Joint Council project, under the direction of Judith Staley Brenneke, Northern Illinois University, is the end project of input from prominent consumer and economic educators across the nation. This project is only one of the many involved in the ongoing definition process. The fact that the process continues, however, is evidence that consumer education is maintaining strength as a discipline and as a school subject. Further, the leadership role of business educators in the refinement process indicates the continued influence of consumer education on the basic business curriculum.

THE NEED FOR CONSUMER EDUCATION

The configuration of the American family has changed radically from 1970 to 1980. According to government figures, families with both husband and wife working have increased 19 percent, the number of persons living alone has increased 58.5 percent, and the number of divorces granted has increased 65.3 percent. These family structural changes allow less time than ever for individuals to educate themselves to function as well-educated consumers in a complex marketplace.

The complexity and quantity of goods and services have made it increasingly difficult for consumers to compare and select the best quality products and services. Marketing of products and services has become as sophisticated as the products themselves. Even the methods of purchase have changed. Video catalogs and electronic banks move spent funds almost instantly, making the decision time shrink along with the bank account.

The nonintervention by government will leave a consumer with less social security and with more savings and investment choices in the private sector. It may leave consumers with more available energy but at a higher cost. The diminished power of consumer-oriented regulatory agencies, such as the Federal Trade Commission and Consumer Product Safety Commission, will be replaced by a new individualistic vigilance on the part of consumers.

Understanding their role in the economy will become increasingly important for consumers. Because of the mix of many economic factors (high interest rates, inflation, changing job patterns, and international trade), it is becoming clearer that consumers need to look beyond their jobs and their local communities in making career and money management decisions.

Consumer education is a lifelong process and the need for consumer education will continue as long as there are choices to be made. Instruction in consumer education is needed to set the basic ground rules for functioning as an equal player in the marketplace. The effect of a formal

course or unit of instruction is difficult to measure, however. It does serve to pull thinking about economics, money management, and government together, and business educators offer a unique perspective to serve the need for consumer education within basic business.

CONTENT FOR CONSUMER EDUCATION

The evolution of consumer education as an accepted discipline has had a profound effect on the educational curriculum. Consumer topics are found in grades K-12 and in a wide variety of disciplines. Consumer topics have expanded the basic business subjects as well. Business mathematics, general business, business law, and economics courses would be quite bare without the discussion of consumer education applications or content.

Courses in consumer education are most often offered in business education, home economics, and social studies departments. One would suspect that the topics selected for inclusion in these diverse department courses would differ considerably. This is quite the contrary and probably is due to the variety of studies and input available to the consumer educator. Recent research studies and literature reveal a general set of topics regardless of the department where it originates. Wong reports of an interdisciplinary committee of education professors who analyzed what was being taught in consumer courses in British Columbia. From the analysis, they produced a model curriculum. She states that "a surprisingly high level of consensus was found among committee members and differences of opinion based on subject area were minimal."[2]

Mayer developed a consumer task list to determine task importance and task standards for high school graduates. He submitted 39 task statements arranged in 18 task categories to one group of consumers and two interdisciplinary groups of secondary consumer education teachers. The teachers were identified with business education, home economics, and social studies departments. In ranking selected consumer tasks, Mayer concluded, ". . . where significant differences did exist between selected consumers and consumer education teachers, the differences occurred more often between selected consumers and teacher subgroups (i.e., various disciplines) than between teacher subgroups compared to one another. Therefore, as might be expected, consumer education teachers categorized by departmental area were more alike than selected consumers."[3] Mayer's study supports the uniformity in the content of consumer education regardless of discipline.

Dlabay's study goes one step further. In a survey of 406 secondary basic business teachers, 41 state supervisors of business education, and 46 authorities on basic business, the secondary teachers agreed that "an interdisciplinary approach (involving various departments: business, home economics, social studies, math) should be used in teaching consumer

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[2]Wong, Shirley. "What Should Be Taught in Consumer Studies." *Journal of Business Education* 56:4; January 1981. p. 142.

[3]Mayer, Kenneth R. "Development of a Consumer Task List and Assessment of Task Importance and Standards for Consumer Education Curricula." *The Delta Pi Epsilon Journal* 21:2; April 1979. p. 23.

education."[4] It would appear that consumer educators are beginning to recognize the importance of a set of topics. In the future they may also agree that—

1. Consumer education is actually a lifelong process and not the exclusive province of one department or one course.
2. Certain teachers are better prepared, either by personal interest or training, to offer certain components of the consumer education discipline.

Much of the credit for the uniformity in curriculum can be traced to curriculum studies funded by the U.S. Office of Consumers' Education. In their exhaustive study, Bannister and Monsma developed the framework shown in Figure I. The framework serves to set the stage for refinement of consumer education as a discipline. It is obvious from the classification that a 9-week or 1-semester course would be an inadequate vehicle for all of the concepts outlined. Curriculum planners may use the appropriate concept classifications to build consumer education into the overall basic business curriculum. The framework also serves as a reference for textbook authors, test constructors, and researchers. An examination of the newest consumer education texts shows a close parallel in content to topics found in the Bannister/Monsma classification.

THE CHANGING LANDSCAPE OF CONSUMER EDUCATION

Consumer education expanded from its traditional role of resource management during the 1970's. Two important factors caused business consumer educators to add the decision-making and citizen participation concepts to resource management (personal finance) in the basic business program.

1. The curriculum changes that took place in consumer education occurred from an interdisciplinary thrust. While business consumer educators helped mold the discipline, so did many other educators with just as many other perspectives.

2. The role of many consumers in the 1970's changed from a passive to participatory one. Consumer boycotts, membership in consumer organizations, and individual outspokenness resulted in individuals seeking outside influences in making personal decisions. These personal decisions were most often made on a "me" basis in the 1970's, but as the 1980's unfold a "we" basis is beginning to exhibit itself. This is prominent in the debate over social security, health costs, and the extent of government involvement in our personal lives.

Consumer education topics will continue to be dynamic just as changes in society are dynamic. An examination of these changes in the decision-making, resource management, and citizen participation areas of consumer education points to changes in teaching concepts for basic business teachers.

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[4]Dlabay, Les R. *Identification and Comparison of the Opinions of Basic Business Authorities, State Curriculum Supervisors, and High School Teachers Regarding Selected Basic Business Issues*. Doctor's thesis. DeKalb: Northern Illinois University, 1980. p. 96.

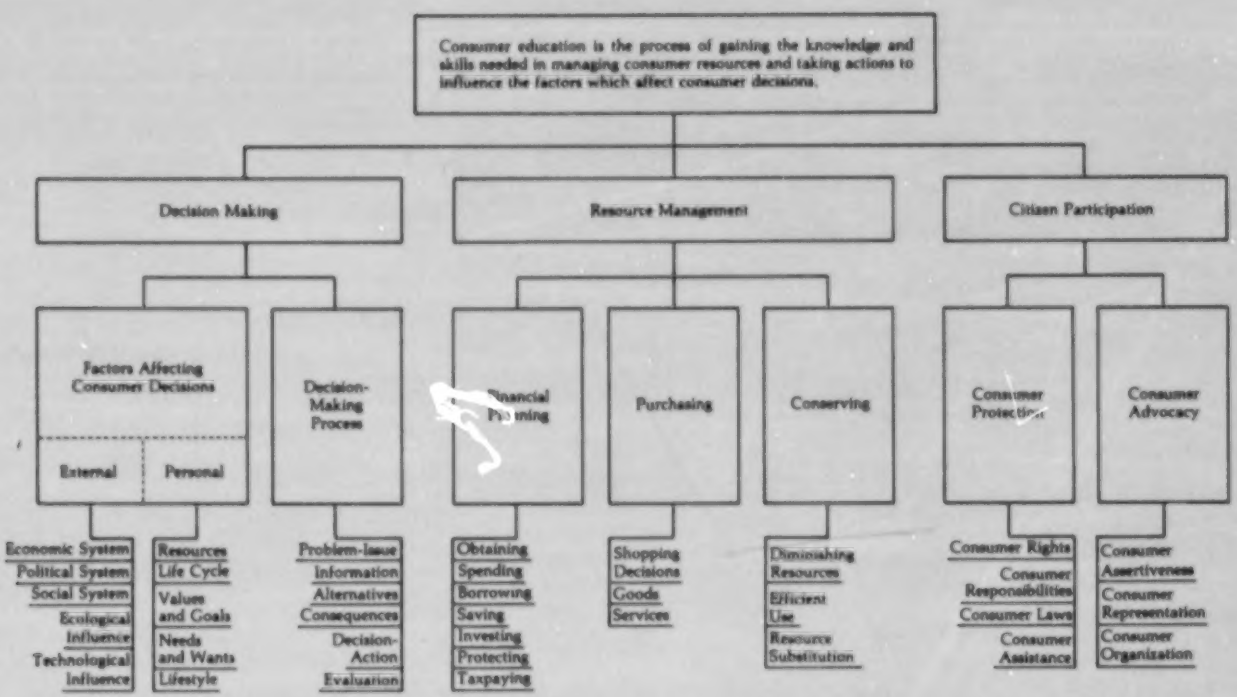

FIGURE I. A Classification of Concepts in Consumer Education[5]

[5]Bannister and Monsma, *op. cit.*, p. 19.

Changes in decision-making concepts. The trends of the late 1970's point out the importance of the role of the consumer as a decision maker. Changes in the structure of the family, the economy, supplies of energy, and technology have added to the complexity of decision making.

1. THE CONFIGURATION OF THE FAMILY. The nuclear family—working father, stay-at-home mother, and one or more children—constituted a mere 13 percent of families in 1980. Nonmarriage, late marriage, in-between marriages, and old age have driven the "person living alone" category up almost 60 percent from 1970 to 1980. The cost of raising children from birth to age 17 ($69,232 in 1980) and the push for career fulfillment have aided the dramatic increase in numbers of women who will remain forever childless. These changes in the structure of the traditional family will reshape the target message of life-cycle decision making in the consumer education classroom.

2. THE INCREASED INTEREST IN ECONOMIC DATA. Double-digit inflation, high unemployment, and sagging productivity have combined to shake the personal economic foundations of consumers. Scarred by the ravages of an unpredictable economy and some conflicting advice by economists, the consumer will take the global view before making an individual decision. Inflation has taught many individuals to connect the economy with retirement plans, investments, use of credit, consequences of taxation, insurance needs, and career choices. It will continue to be shortsighted to be "term" oriented in our teaching when last year's term and its definition may be obsolete next year due to economic forces. Teaching the concepts and economic rules we live by has a longer lasting usage than a total concentration on the memorization of definitions.

3. COST OF ENERGY. Decision making into the 1980's will cause the consumer to take a predictive stand on energy before making many personal decisions. Alvin Toffler's book, *The Third Wave*, describes the electronic cottage, necessitated in part because the costs of commuting to work will continue to be too expensive to warrant central offices for all employees. Thus, the home or cottage will be the focus of much of the work. The "cottage" itself is changing in its configuration. Energy costs have driven people to solar houses, subterranean houses, or at least to consider the R factor of the insulation of a prospective dwelling. Even the concentration of industry through mergers is questioned by some futurists who predict that the costs of transporting goods across the country may be prohibitive—necessitating more, not fewer, regional markets and producers.

4. COMPUTERIZATION OF AMERICA. The microprocessor and the microcomputer have caused many benefits and changes for consumers. Retail scanners, point-of-sale terminals, automated clearing, and automated tellers are becoming more evident in the marketplace. The future will see the computer invited into the home via cable television and the telephone modem. On the liability side, consumers are becoming worried about the confidentiality of financial, employment, and health records. The quantity of information stored and the speed and ease in accessing this information are triggering new laws and corporate initiatives to protect the individual's privacy. The

more consumers understand about the uses of the computer, the broader the extent of their decision-making ability. Even if consumer educators choose to ignore computerization, their students cannot.

Changes in resource management concepts. The traditional rules of money management and purchasing have become altered or in some cases obsolete.

1. FINANCIAL PLANNING. It is becoming increasingly difficult to manage income using the tried and true maxims of the past. Even the sage advice to buy a house as soon as possible is being questioned. First, the definition of house has expanded to include co-ops, condominiums, and mobile homes, which may be more affordable or even more practical. Second, when it is possible to purchase shelter, the type of financing is a study in confusion. Adjustable rate, balloon note, graduated payments, and shared appreciation mortgages have overshadowed the conventional mortgage.

Financing a home has made many consumers aware of the direct bearing our economy has on personal decisions. The financial markets have become an area for complete reassessment by Americans. The Monetary Control Act of 1980 is changing the rules of banking. As regulation Q is phased out, the consumer will enter a decade of more competition, marketing thrusts by new competitors, and the decline of some established financial institutions. Terms such as financial supermarkets have been affixed to such giants as Merrill Lynch and American Express who are entering the consumer finance market with securities, insurance, and real estate purchase and financing. What began with the NOW account and share draft may end with an entirely new set of banking rules for consumers. The old passbook savings account has given way to high interest bearing T-bills, money market funds, and yet unknown vehicles for the saver's dollar.

Even the solid old life insurance policy is in for some changes ahead. The new universal life is only the beginning of new products offered by insurance companies in the face of rising competition and high rates of inflation. The teacher of consumer education is often shocked by the new sales pitch that belittles whole life insurance, especially when it comes from many of the same salespersons who advocated it in the past.

The business consumer educator is in a good position to help consumers run their finances much like businesses. The new money manager talks about cash flow, current ratio, net worth statements—terms familiar to the basic business teacher. The greater stress on financial statements is necessitated by the increase in numbers of two-income couples. The danger of perceived affluence has led many to bankruptcy. In larger cities, Big Spenders Anonymous and Debtors Anonymous chapters have been chartered. It has been estimated that some 10 to 15 million people nationwide were unable to pay bills on time in 1980. A new formula for money management for two-career couples requires the consumer educator to reevaluate thoughts in areas of savings, credit, insurance, investments, and ownership of property.

Retirement will become an emerging financial topic into the 1980's. Advice and study in this area will become increasingly vital to consumers.

Social security reform will affect the way many people will think about retirement. Unfortunately, many employees are ignorant of company benefit plans. Changing jobs before a plan is fully vested can have an affect on the employee's retirement, and consumers should be aware of these consequences.

2. PURCHASING. The modern consumer is in a hurry and still tries to be a price-oriented, hard-nosed shopper. This is not easy. The consumer's perception of the quality of American products has declined over the past five years according to the American Society for Quality Control. Repair of these mass-produced products has become much more expensive and complex. There is also a shortage of skilled repairmen.

Shopping by mail, video shopping, and door-to-door sales are all on the increase. These methods of buying and selling have grown because of soaring energy costs and the numbers of women who work during the day instead of shopping. The number of male shoppers has also increased due to the same energy factors and working women influences. Marketing people, using psychographics and sophisticated demographic data, often know more about us than we do. The consumer educator will need to operate under a revised set of buymanship rules, taking into consideration:

1. The time limits placed on consumers for information search before purchasing durable or nondurable goods or services.
2. The rules applicable to new forms of shopping in order to obtain the best quality goods and services for the price.

Changes in citizen participation concepts. The most controversial role of the consumer education discipline is in the examination of the citizenship-worker role of the consumer. The pressure to include this concept in the consumer course has increased to the point where to neglect it is to do a disservice to the consumer who must be an active participant in a complex market society.

1. THE CONSUMER IN THE WORKPLACE. The shaky economy of the late 1970's saw many more employee shareholders—often by necessity as firms faced financial ruin. Economist Louis Kelso's Employee Stock Ownership Plan (ESOP) often misused by firms in the 1970's is being used in the 1980's as a ready source of capital by firms and a sense of participation by employees.

Productivity or lack of it is a theme with many uses. It has been used not only to decry a lazy work force but also increasingly as a positive element to expand employee participation in decision making. A growing number of firms are finding it productive to have employees provide input on goals for efficiency and growth. Enlightened managers are finding that employees will strive harder to meet self-imposed productivity limits.

2. THE CONSUMER AS A PARTICIPANT IN GOVERNMENT. The consumer of the 1980's will need to participate directly in the workplace, government, and with others in striving for a higher quality of life. In the 1970's, consumer advocacy generally meant some other agency or organization who spoke for the consumer. Today the consumers must speak for themselves using many of the tools and methods employed by these earlier advocates. It is clear from the numbers of referendum initiatives that consumers are

assuming more direct input into public policy. Initiatives range from energy to taxation, with new topics for consideration surfacing each election. Energy costs have given rise to more citizen groups who demand input into utility rate-making decisions on local, state, and national levels.

While many complain about the power of special interest groups, it is further evidence of the grass roots action taken by consumers. These special interests serve to influence the levels of power above them—federal bureaucracy, congress, and the national administration. They also have influence on the levels below them—business, courts, and the political process. Today's strongest special interest may disappear tomorrow, but the concept of the special interest group continues to show the power of the individual who joins with others in defending or promoting an ideal.

3. THE CONSUMER AS A DO-IT-YOURSELFER. The decade ahead holds little promise for more regulations protecting consumers. The consumers are learning to look out for themselves. The sale of do-it-yourself books, the success of media features directed at consumer rights and responsibilities, and the formation of groups with common problems and interests illustrate the rise of direct participation. While most would agree that a good amount of protective legislation written in the 1960's and 1970's has helped the consumer, there is a reluctance to look for other areas for legislation or regulation. The rise of assertiveness training as related to consumers, *pro se* law, arbitration of complaints, and health maintenance organizations are all evidences of consumers taking the initiative to act alone or with others to provide self-help rather than advocacy assistance.

4. CONSUMER ASSISTANCE ON THE PRIVATE LEVEL. Business has reacted in many ways to consumer demands for a cleaner marketplace. Complaints about service have been especially vociferous. Faulty home, auto, and appliance services have left consumers up in arms. The service contract is not a suitable solution for many—they are unwilling to substitute this contract for good and efficient repair service. AUTOCAP's, hotlines, and consumer representatives are becoming more visible and helpful to consumers.

The service industry is also challenged to provide friendly, efficient service. It is beginning to offer special training and incentives to its lowest paid but direct representatives to the public. More and more money is spent on internal control and monitoring of employees and upon the uniformity of service to customers.

Today's marketplace requires individuals who are self-confident, assertive, and skeptical of others who say they represent them. At the same time this requires individuals who are ready to assume a stronger participative role in their own destiny. This is an exciting challenge for consumer educators; it requires consumer education courses to include decision-making and citizen participation concepts as well as the traditional resource management concepts. Business education teachers have a unique market perspective and can meet the challenge.

INSTRUCTIONAL MATERIALS FOR CONSUMER EDUCATION

As consumer education became an acceptable school discipline, the amount of material developed also increased. The competition for teacher attention has mainly had a positive influence on the quality and interest levels of the material. To outline or list all of the sources of material is an impossible task. Several nonprofit organizations do summarize or review materials on an ongoing basis. The following organizations discuss consumer materials as they become available:

American Council on Consumer Interests
162 Stanley Hall
University of Missouri
Columbia, MO 65211

Consumer Education Resource Network
1500 Wilson Boulevard, Suite 800
Rosslyn, VA 22209

Consumer Information Center
General Services Administration
Pueblo, CO 81009

Joint Council on Economic Education
School Services Division
1212 Avenue of the Americas
New York, NY 10036

The American Council on Consumer Interests reviews articles and commercial materials and discusses consumer legislation in its monthly newsletter to members. The Consumer Education Resource Network (CERN), established by the Office of Consumers' Education, updates consumer topics in its monthly publication. The network also offers research services to individual consumer educators. The Consumer Information Center distributes an annotated list of federal government publications. The Joint Council on Economic Education annotates its own materials. These materials are written by a variety of people and cross many subject matter lines.

The *Journal of Business Education* and *Curriculum Review* magazines also review current consumer education materials. The *Journal of Business Education* presents descriptions written by the material's publisher. The *Curriculum Review* magazine presents reviews written by individuals in the field. The *Consumer Education Sourcebook* written by Dorothy Lungmus and others is an annotated list of currently available student and teacher consumer awareness materials. This publication is available from the ERIC Clearinghouse for Social Studies/Social Science Foundation, 855 Broadway, Boulder, CO 80302.

Organizations, associations, government agencies, commercial publishers, and the media are all sources of material for the consumer education teachers. The teacher need only check available finances, the course outline, student abilities, and student interest to select an effective mix of material. Criteria for selection of materials should include:

1. **Reading and interest levels.** Many of the materials written for use in classrooms are written by persons without backgrounds in education. As a result, the topics discussed may be written in an overly technical or uninteresting manner. An easily administered reading-level test and a quick preview of the material allow the teacher to make a judgment according to specific needs.

2. Biased material. Materials written by corporations, associations, the media, and governments often contain bias. The bias is often in what is *not* discussed rather than in what is actually stated in the material. The consumer educator will have to supplement these materials. "There is no free lunch" is a good guideline in using free materials—the author of these free materials is making a point and it is up to the teacher to present a balanced view. Unfortunately, bias occurs as frequently in audiovisual materials as it does in written materials available for consumer education classrooms. Teacher preview of materials is mandatory before use.

Some of the most effective teaching materials are teacher-made. Such cases, role-playing situations, worksheets, slides, speakers, and other innovations are then tailored to the students and the community. They may be updated each year by the teacher or the students. Human resources are another source of assistance to the consumer educator. In all communities there are helpful and willing members to assist in making textbook situations come alive for students. Finally, student interaction and participation is a resource experienced teachers place at the top of the list of effective materials for teaching consumer education.

The quantity of material developed parallels the interest in consumer education. Consumer education has its roots in most basic business subjects, and as a result these new materials have served to enrich the entire course offering. There is no reason to believe that materials creation will cease in the future—a situtation that bodes well for basic business education.

FACTORS INFLUENCING CONSUMER EDUCATION METHODOLOGY

The techniques in teaching consumer education have a familiar ring today. The Delta Pi Epsilon *Rapid Reader* series on teaching consumer education (*Rapid Reader No. 1*) and general business (*Rapid Reader No. 2*) attest to the effectiveness of tried and true methods in teaching basic business subjects.

While individual teaching strategies have changed little, societal influences have promoted changes in the teaching of consumer education. Nine of these influences will be discussed briefly.

1. In 1980 the Policies Commission for Business and Economic Education stated that "mainstreamed handicapped students should be encouraged to elect courses in basic business/economic education the same as nonhandicapped students." Public law 94-142 and many state laws on mainstreaming have necessitated changes in teaching techniques that reach all ability levels. Gwen Watson, in her monograph *Special Needs Students in General Business*, became the first basic business author to incorporate many of these new techniques for consumer education and basic business educators.

2. The issues of accountability and competencies necessary for graduation have been an influence on the consumer education curriculum in many states. The *National Assessment of Educational Progress* examined consumer education concepts of American 17-year-olds and found many

weaknesses. The issue itself has led to the growth of consumer education in the United States.

3. Computer technology is having a dramatic influence on the content and methodology. Teachers find they have a new tool in computer-assisted instruction. Consumer educators are using available softwear and writing their own softwear to conform to the individual needs of their students.

4. The mobility and sophistication of students have necessitated changes in methodology. New topics provide new bases for cases, games, media, and other traditional teaching strategies. The influence of television and other media has followed students into the classroom where teachers have had to change to meet the demand for activity and audiovisual vehicles for presenting material.

5. Ironically the sophistication and mobility of many students have progressed in an inverse relationship to reading and computational ability. The consumer educator who teaches all ability levels of the student population has incorporated new reading and arithmetic activities into the classroom. In some classes the content closely resembles a consumer mathematics class. In others, a school's reading lab offers a complete range of consumer education materials. The teaching of reading is mandated for teacher education programs in nearly 40 states. The application of reading techniques to consumer education topics has served to modify many traditional methods.

6. The wealth of teaching materials provided has added to the sophistication of the consumer educator. These individuals have, in many cases, become their school's resident expert on a whole range of resource management and legal topics.

7. The cross-pollination of ideas due to the interdisciplinary nature of consumer education has strengthened the teaching of basic business in general. The home management skills taught in home economics combined with the social behavioral nature of social studies have added new dimensions to the business consumer educator's repertoire. The sharing of ideas in interdisciplinary publications and conventions has merged many methodology ideas as well.

8. The influence of economic education on consumer education continues to add yet another dimension to the teaching of consumer education. Consumer education is having an equal influence on economic education. The merging of these two disciplines and many of their methods and materials has influenced content ideas that are new for both groups.

9. The diminishment of sex stereotyping has changed many of the applications associated with consumer education. The traditional roles of males and females are changing. The consumer educator can help prepare students for these changes as they occur in our daily lives.

So while methods of presentation have remained relatively unchanged, the content and objectives are constantly changing. There is no reason to believe that a list of societal influences written in ten years would be any shorter.

CONCLUSION

Consumer education has had a dramatic impact on basic business. Whether consumer education is offered as a separate course or as a part of other basic business courses, new topics introduced by consumer education curriculum specialists or by societal influences will find their way into the basic business curriculum. Thus, the new basic business will include the hard issues of the 1980's and the latest in social trends along with traditional topics to help plot the way for the next generation of adults.

CHAPTER 4

The Impact of Economic Education On Basic Business

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For decades, the development of economic understanding has been a primary objective of basic business courses, such as General Business, Basic Business I, Introduction to Business, Consumer Education, Economics, Consumer Economics, Business Law, Economic Geography, Business Organization, Advanced Basic Business, and Personal Economics. These courses were established to develop the economic skills, knowledge, and understanding necessary for the individual to function in the roles of consumer, wage earner, investor, and citizen, with emphasis on the first three roles.

There are two approaches to economic education in basic business courses—one specific, and the other more conceptual. The first is primarily a "how to" approach, i.e., what to look for when shopping for food, clothing, housing, medical services, and other consumer products and services; how to write a check, reconcile a bank statement, apply for a job. It may include descriptions of types of business organizations, taxes, careers, etc.

The second approach develops an understanding of basic economic and measurement concepts, an understanding of our economic system, and ability to use a reasoned way of thinking about various economic problems and issues. Developing an understanding of scarcity, opportunity cost and choice making, functions of price, supply and demand, competition—all are examples of concepts covered in this approach. Putting a decision-making model to work using economic concepts is the major emphasis.

Both the practical "how to" and the more analytical, conceptual approaches are necessary ingredients in any good basic business course. Both approaches can and should be fused together to make a rich mix of learning experiences. Parts of this chapter will deal with how the two approaches can be integrated.

For purposes of this chapter, economic education will refer mainly to the second approach, i.e., the analytical and conceptual. Economic education will be examined from the reference points of need, objectives, content, and materials.

NEED FOR ECONOMIC EDUCATION

The driving force of our American economy is individual decision making. In the aggregate, consumer decisions in the marketplace account for about two-thirds of our gross national product. Much of our productive resources—land, labor, and capital—is used to produce what consumers want in the way of goods and services. Consumer spending affects the quality of life of the individual and society.

Also, we have a considerable amount of freedom to make choices in the working world. Our society is not as traditional as those in which individuals choose jobs and careers according to their social class. Our government does not dictate what occupations people should pursue. Granted, there are various requirements for many occupations which individuals must meet before entering them. Yet, there are multiple opportunities for individuals to acquire the necessary education and experience to enter a wide variety of occupations. In order to make informed job and career choices, an individual must be adept at using a rational decision-making process with information about various career options, personal qualities, and characteristics of the labor market.

Individuals must make choices about what goods and services government should provide and how much taxes they are willing to pay. Sometimes individuals vote on this directly through an election, such as a tax referendum. In other instances, citizens vote for candidates who represent particular points of view regarding how tax revenues are to be collected and spent. Recent developments show that citizens' decisions can result in changes in government actions, as indicated through the dramatic shifts in emphasis of the new administration. Individual decisions expressed through the polling booth and communication with elected officials affect how our limited resources are used. These decisions also affect the quality of life of the individual and society as a whole.

Business ownership is another role dealt with in many basic business classes. Here again, there is a wide variety of choices, such as what product or service line would be most profitable, what form of business ownership should be used, and how much money an individual should put into such a venture.

Since individual decision making is very important in our economic system, students should understand the basic economic principles at work. It is somewhat analogous to the individual playing on a baseball team. If he or she does not know the rules or principles of the game, poor playing will result.

Similarly, students should know the economic principles at work in our market-oriented system. Otherwise, the quality of decisions will be less than adequate. Thus, the need for economic education should be considered a primary objective of a school's program, since all students will have to make decisions as consumers, wage earners, and citizens, and some will face decisions about business investments.

WHAT RESEARCH SHOWS ABOUT THE ECONOMIC UNDERSTANDING OF YOUTH

Surveys of students generally show that more emphasis on economic education is needed. In the 1979 study of 4,300 students entitled "Teenage Consumers: A Profile," the National Assessment of Educational Progress found some serious gaps in the consumer skills and knowledge of seventeen-year-olds, especially in such areas as personal finance, consumer protection and behavior, economics, contractual agreements, and energy. Moreover, many of these teenagers lack mathematics skills needed for making quick, simple calculations for consumer decisions.

In the economic area, for example, the 17-year-olds generally seemed to know what inflation is, but didn't know who benefits and who suffers the most during an inflationary period. Only 14 percent of the individuals surveyed realized that a person most likely to benefit during inflation is a home owner with a long-term mortgage. A little over half of them indicated that persons on fixed incomes would be most hurt financially by inflation.

The students' general knowledge about American businesses was considerably better. About three-quarters of the teenagers indicated that they knew businesses cannot continue to exist without making a profit, and about the same number realized that profits are a return for risking money capital. Approximately 15 percent did not know *whether* government guaranteed a profit to private businesses; and a little less than 75 percent realized that government did *not* guarantee a profit to private businesses. Also surprising is the finding that almost 20 percent did not believe that competition makes businesses more efficient.

In a national survey of 1,817 students in the eleventh and twelfth grades, conducted by the Joint Council on Economic Education and completed in 1979, some other glaring deficiencies in economic understanding were found, among them being:

- 81 percent *did not know* that having more of one thing can only come at the expense of another thing;
- 46 percent *did not know* what the role of profits is in a market economy;
- 44 percent *did not know* that active competition is a vital ingredient for a properly functioning market economy;
- 70 percent *did not know* that the lack of educational and technical skills is the major cause of low income in the United States;
- 45 percent *did not know* the functions of money;
- 67 percent *did not know* that increased investment is necessary for economic growth; and
- 56 percent *did not know* that in a market economy high wages are largely dependent upon high output per worker (productivity).

It is apparent, then, that American youth comprehend some aspects of economic understanding. But the sample of results shows that more needs to be done if we are to prepare economically informed students both to build understanding of economics and the application of that knowledge.

PERCEIVED NEED FOR ECONOMIC EDUCATION BY THE PUBLIC AND EDUCATORS

According to some recent studies, the public wants more economic instruction for their children. In a Century Insurance survey conducted in the late 1970's and entitled "Consumers at the Crossroads," 96 percent of the respondents thought consumer economics should be taught. The same belief was indicated in a study of 46,817 respondents completed by *Better Homes and Gardens* in conjunction with the White House Conference on Families. Eighty percent of the respondents believed that classroom instruction in personal economics was very important.

As of March 1980, 29 states mandated the teaching of "economics," "consumer education," "free enterprise" education, or a combination thereof. Ten years ago, there were few mandates of this type. Certainly this change is another indication of a greater perceived need for economic education.

Interest in economic education is also found in the 1980 policy statement of the Council of Chief State School Officers, which is the professional association of all superintendents of public instruction. The policy statement emphasizes the need to include economic education in the school curriculum so that students can make objective economic and political decisions based on knowledge and objectivity. The statement points out that instruction should include helping students understand the relationship between education and the functioning of economic systems.

A recently completed survey of close to 800 junior and senior high school teachers, entitled *The National Survey of Economic Education, 1981*, completed by the public opinion research firm of Yankelovich, Skelly, and White and funded by a grant from Phillips Petroleum, throws considerable light on whether teachers and students perceive this need for economic education. One of the overall findings of the study is that more economics is being taught to more students than at any time in the past. Certainly, state mandates have encouraged this to some extent, but the survey also showed a considerable increase in the number of schools offering elective courses which include economics. Furthermore, teachers reported increased enrollments for these courses.

Economic education will probably be a priority in the 1980's, as shown by a 1980 survey of the members of the National School Board Association. From a listing of 33 curriculum areas, economic education was rated as the twelfth priority. Many of those areas rated higher are commonly thought of as basic skills areas, such as language, arts, and mathematics.

THE OBJECTIVES OF ECONOMIC EDUCATION

The focus of economics is resource allocation and the implications of allocation decisions for individuals and society. A basic assumption of economics is that there are unlimited wants for a limited amount of resources. The discipline of economics provides some tools which can be used to analyze the effects of using resources in various ways.

The primary objective of economic education is to promote a process of thinking about economic problems, by the consumer, wage earner, citizen, or investor. Students should be taught to think logically, to understand some basic economic tools and the operation of our present-day economic system, and to use economic knowledge in a variety of problem-solving situations.

The focus of economic education is to enable people to be better decision makers. It does not "push a particular economic stance or position." Instead, it focuses on basic economic truths which explain economic behavior and which can be used to analyze particular economic positions. For example, a good economic education program should not make a case for more or less government spending in education. Instead, it should provide opportunities for students to analyze the costs and benefits of the options. Economic education is not pro or anti consumer, business, government, or wage earner; the concepts are neutral and can be used in analyzing different alternatives. Examples of this will be given later.

The overall objective of economic education is to enable individuals to make informed value judgments. But instead of using an indoctrination approach to looking at economic issues and problems, the thrust is one of promoting informed, deliberate decision making. The advantage of this approach is that economic concepts and the logical process of decision making are timeless. They enable students to better understand and cope with their economic world, now and in the future. Such cannot be said for programs which emphasize only the "rule of thumb" and "how to buy" approaches. Many of these ideas become outdated because of changing economic and market conditions.

THE CONTENT OF ECONOMIC EDUCATION

In 1977, after many years of study by noted economists and economic educators, the Joint Council on Economic Education published Part I of the *Master Curriculum Guide in Economics in the Nation's Schools*, entitled *A Framework in Teaching Economics: Basic Concepts*. Like its predecessor, the 1961 Report of the National Task Force on Economic Education, this document delineated the economic knowledge and skills students should have by the time they graduate from high school. The *Framework* is considered by many to be the primary guide for economic education in grades K-12. Many economic education workshops, current economic education materials, and curriculum committees of school districts have the *Framework* as the primary reference.

The list of concepts defined in the *Framework* is outlined in Figure I. A detailed explanation of each concept is included in the *Framework*, which can be obtained at minimal cost from the Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036.

It is not recommended that all of the concepts should necessarily be a part of every course and grade level: rather, they should be integrated into courses and grade levels where there is a natural fit. The goal is to prepare students to know and use all of these concepts by the time they graduate

from high school. To achieve this, schools must coordinate their course offerings for K-12 to make sure that sufficient coverage, reinforcement, and application of the concepts are present in the curriculum.

To explain more fully how the economic education approach can be integrated into basic business courses, a few examples of the many concept applications will be given. Many more illustrations could be given. Publications and workshops of the Joint Council national office and its affiliated centers and councils help teachers in seeing other ways in which a conceptual, analytical approach can be integrated into basic business courses.

FIGURE I. List of Concepts

BASIC ECONOMIC CONCEPTS

THE BASIC ECONOMIC PROBLEM

1. Economic Wants
2. Productive Resources
3. Scarcity and Choices
4. Opportunity Costs and Trade-Offs
5. Marginalism and Equilibrium

ECONOMIC SYSTEMS

6. Nature and Types of Economic Systems
7. Economic Incentives
8. Specialization, Comparative Advantage, and the Division of Labor
9. Voluntary Exchange
10. Interdependence
11. Government Intervention and Regulation

MICROECONOMICS: RESOURCE ALLOCATION AND INCOME DISTRIBUTION

12. Markets, Supply and Demand
13. The Price Mechanism
14. Competition and Market Structure
15. "Market Failures": Information Costs, Resource Immobility, Externalities, etc.
16. Income Distribution and Government Redistribution

MACROECONOMICS: ECONOMIC STABILITY AND GROWTH

17. Aggregate Supply and Productive Capacity
18. Aggregate Demand: Unemployment and Inflation
19. Price Level Changes
20. Money and Monetary Policy
21. Fiscal Policy: Taxes, Expenditures, and Transfers
22. Economic Growth
23. Savings, Investment, and Productivity

THE WORLD ECONOMY

24. International Economics (uses the concepts above)

ECONOMIC INSTITUTIONS

MEASUREMENT CONCEPTS

1. Amounts versus Rates
2. Averages and Distribution Around the Average
3. Real versus Nominal

4. Ratios
5. Index Numbers
6. Tables
7. Graphs and Charts

CONCEPTS FOR EVALUATING ECONOMIC ACTIONS AND POLICIES

BROAD SOCIAL GOALS

Freedom, Economic Efficiency, Equity, Full Employment, Price Stability, Security, Growth, Other Goals

TRADE-OFFS AMONG GOALS

SELF-INTEREST AND PERSONAL VALUES

Scarcity, opportunity cost, economic wants and resources, and choice making. In economics, the basic problem is one of unlimited wants vs. limited resources. Throughout the world, people have only so much land, labor, capital goods, or productive resources. There aren't enough productive resources to make *all* the goods and services which are wanted. Thus, choices have to be made as to how to use these resources.

If a nation chooses to use its resources primarily for consumer goods and services, those same resources cannot be used for such things as roads, military, and other public goods and services. Conversely, if a nation uses considerable amounts of its resources to build up military force through more armaments, personnel, and military installations, those same resources are not available to produce consumer goods and services such as automobiles, equipment, and private housing.

With any choice, there's always an opportunity cost, i.e., what is given up when selecting one option over another. If massive resources are put into consumer goods, for example, the people will give up some other goods and services which those resources could have produced.

The same principles apply to many personal economic decisions. People have limited money income, time, and energy and have to make choices. Whether the choice is between buying a stereo or a motorbike or between staying in school or dropping out, there are opportunity costs. If students are to make rational decisions, they must understand and "internalize" the ideas of scarcity, resources, choice making, and opportunity cost.

A primary thrust of basic business courses is to develop in several steps decision-making or problem-solving abilities. The first step is to state the problem. People often face problems which involve scarcity of time, energy, or money income. The second step is to list alternative choices, and the third is to determine the criteria by which each alternative will be evaluated. Evaluating the alternatives according to the criteria is the fourth step, which is basically looking at the advantages and disadvantages of each alternative including an analysis of opportunity cost. Making a choice and following through on it are the next steps and the last is to evaluate the results of that choice.

Units in basic business courses offer multiple opportunities in the use of these economic concepts and the problem-solving approach. A few examples will be given:

A. THE CONSUMER IN THE AMERICAN ECONOMY. This is a natural place to consider the basic economic problem of unlimited wants and limited resources. In our nation many of our resources go toward consumer goods. This is not the case in some other countries, such as the U.S.S.R. and the People's Republic of China, which allocate many of their resources for public goods and services. If various economic systems are considered in this unit, the opportunity cost of one economic system over another can be considered.

B. MONEY MANAGEMENT OR BUDGETING. The whole process of budgeting involves the economic concepts and the problem-solving process. Budgeting is necessary primarily because of limited resources and a considerable amount of wants. The choices as to how an individual spends his or her money involve giving up some options for others. The problem-solving approach can be used in determining the choices which are best for the individual considering his or her values and goals.

In this unit, some time should be devoted to personal budgeting and its similarity to budgeting for different groups. Businesses, government agencies, and church groups and community organizations develop budgets because of scarcities, just as individuals do. With every choice about spending money, there are opportunity costs.

C. BUYING VARIOUS GOODS AND SERVICES. Basic business, consumer education, and business law courses generally have extensive units on buying various goods and services, such as food, housing, insurance, credit, and banking. Coverage of these subjects generally includes facts about the various types of choices available.

One way to incorporate more of a conceptual, analytical approach is to have students analyze what choice or choices in a product or service area would be best for an individual or family unit in a given situation. In order for students to do this, the teacher will probably have to assist them in establishing the criteria by which to evaluate various alternatives. Then the students should be asked to evaluate the alternatives according to the criteria. A decision matrix can be very helpful for this.

Figure II gives an example of a decision matrix for various types of investments. On the horizontal axis are the criteria; the vertical axis includes the choices.

FIGURE II. A Decision Matrix for Some Types of Investments

Alternatives	Criteria			
	Liquidity	Safety	Growth	Income
Passbook savings account	+	+	−	−
Government bonds (E & H)	+	+	−	−
Stocks traded on a major exchange	+	−	+	+

A minus is placed in the cell where the alternative is relatively weak in meeting a particular criterion. A plus is found in a cell where the alternative meets a particular criterion quite well. In using the matrix, the choice which has the most pluses may not be the one which is selected by the individual. The reason for this is that one may value some criteria as more important than others. As an example, a retired person may especially value the safety of principal over the other criteria. Thus, the more secure alternative may be chosen even if it has less pluses than other choices.

The decision matrix can be used in many different areas, such as selecting a life insurance policy or a type of housing, buying convenience or nonconvenience foods, or deciding on a particular type of credit, etc. The value of the matrix is that it enables the student to analyze and secure a grasp of what can be gained and what has to be given up with each choice.

D. CAREERS. The careers unit can also be related quite easily to the concepts. For many young people, there is a scarcity of time to pursue all of the career choices of interest. There may also be a scarcity of money to follow those career paths which require considerable education. Choices must be made and there are opportunity costs. Deciding to enter the job market instead of going to college right after high school graduation has opportunity costs. There are opportunity costs for staying at home to attend college instead of living on campus. Since there are so many individual decisions to be made in career and job choice making, there are numerous instances where these economic principles can be applied. The decision matrix used in the previous section can help students analyze and make various course and job decisions.

E. TAXATION AND PUBLIC GOODS AND SERVICES. In this unit students are usually exposed to how revenue is generated to pay for public goods and services in addition to an analysis of the goods and services provided by government. Multiple opportunities are provided for application of the economic concepts and the use of the problem-solving process.

Individuals will only permit so much of their income to go toward public goods and services. Because of limited tax reserves, government can only provide so many goods and services. Choices must again be made and there is opportunity cost for each choice.

To be informed citizens, students should be able to analyze intelligently the choices made by public officials in the spending of tax dollars. The same problem-solving process used in determining how to gain income and spend one's money income in the marketplace can be used in analyzing public decisions. There is a primary difference, though, in the criteria used to analyze the decisions.

When making consumer and career decisions, most people select a choice based primarily on their own individual values and goals. When analyzing how tax monies are gained and spent, social goals should be the primary criteria to be considered. The social goals most evident in the American society include:

1. Freedom—includes freedom of consumers, workers, and investors to make choices in the marketplace.

2. Economic efficiency—relates to getting the most out of productive resources.
3. Equity—pertains to what is considered fair.
4. Full employment—means all of our economy's productive resources are fully utilized.
5. Price stability—relates to absence of inflation and deflation.
6. Security—pertains to the desire of people for protection against various economic risks, such as unemployment, business failures, destitution in old age.
7. Growth—relates to additional wealth generation in the economy.

With a working knowledge about these social goals, individuals can analyze various public policy decisions or those which are being suggested. For example, if the federal income taxes for individuals are increased, some freedom of choice of taxpayers is being given up. Those people will have less freedom of choice for buying goods and services in the marketplace because of having less discretionary income to spend since they have to pay an additional amount to government. The social goals which are advanced through this policy actually depend on how the additional tax monies are to be used. If much of the additional increase is to be used to help the elderly, there is a gain of economic security for those who are older. They also have more freedom of choice in the marketplace because of more income. If the monies are used to help the poor, some would say that equity is better met since there is a more even distribution of income—with money being taken from those who have a certain level of income and given to those who have little or no income. Those who view equity from the point of view that most income should go to the productive members of the society might not feel that this tax increase is very equitable. If the increase is used to pay off or hold down the federal deficit in an inflationary time, this action could be promoting price stability.

As shown through this example, a policy encouraging one social goal may have a negative effect on another one. In some instances, a policy may help some groups within the society better reach a goal but hinder other groups from reaching that same goal. It is important for students to be able to recognize what their society is getting and giving up with various public policies in order to evaluate them as citizens.

The functions of markets, supply and demand, competition, market structure, government intervention. Since our economic system is to a great extent based on markets using prices, students should understand how they operate. This is important because students are and will be involved in many different markets including food, clothing, housing, and labor markets.

Space limitations prevent discussion of all of the understandings of markets which should be covered. A few will be given:

1. A market involves voluntary exchanges between buyers and sellers. Those sellers who are successful in a market produce goods and services which are wanted by the buyers at a given price acceptable to both buyers and sellers. Some sellers are driven out of a market because they cannot

produce a good or service and sell it to buyers at a price high enough to cover the costs of producing the item plus a reasonable profit.

2. In a market, buyers or consumers affect the price of an item and are affected by the price. If great numbers of consumers, for example, do not buy an existing item, the demand will fall and the price will drop to clear out the existing supply. If the number of items demanded at a given time is more than the available supply, the price will tend to increase.

Decisions by individual consumers in the marketplace are affected by price in the following ways. If a particular good or service is perceived as a "good" buy because of its low price, consumers will purchase more of the item. If the price of a particular good or service is viewed as "too high," many consumers will find a substitute and/or cut down on consumption of products or services in that area. There is a substitute for most goods and services, such as chicken for beef, motorbikes for cars, condominiums for single family homes, and a do-it-yourself repair job instead of letting a specialist do it.

3. In a market, suppliers or producers affect the price of a good or service and are affected by that price. Suppliers set their prices to cover their costs and to make a profit. If the existing and expected price for an item looks like it will yield profits to suppliers, increased production will result. If the price does not yield a reasonable profit to a supplier, decreased production will result.

4. Markets are said to have different structures. Market structure can be determined by looking at the number of actual participants. Some have many different buyers and sellers; others have few buyers and/or sellers. Another aspect of structure is the ease of entering and exiting. Some are easy to enter and exit; others, such as the steel and automobile industries, are more difficult to enter and exit. Markets with few buyers and sellers generally are more controlled than those with many buyers and sellers. It is generally believed that there are higher prices and less output in markets which are controlled by few buyers or sellers.

5. In certain cases, our society wants government to intervene and regulate various markets. This generally occurs in markets where one group is hurt or is at an economic disadvantage due to the power of certain firms to control price and output. Consumers and small business firms want government to make sure that competition exists in most market areas. Society allows some monopolies to exist under government control, such as utilities, since it is more cost effective. Consumers want protection from unsafe products and deceptive business practices. Workers want safe working conditions. Society wants a minimum of pollution generated by business firms. Business wants to be protected from certain labor practices. Some businesses want tariffs or import quotas to be protected from foreign goods. Other businesses want price supports which will guarantee an amount for their output. The list can go on and on. Government does indeed affect how most markets operate. The effects of this intervention and regulation should be studied.

Coverage of these five groups of learning can and should be a part of basic business units. A few examples will be given according to selected units.

A. THE CONSUMER IN THE AMERICAN ECONOMY. This particular unit generally focuses on an overview of the economy and how the consumer fits into the economy. These learnings are a natural fit since they pertain to how markets operate under different kinds of circumstances. Since this unit generally is placed in the early part of a basic business course, later units can be used to expand upon the learnings in more specific ways.

B. BUYING VARIOUS GOODS AND SERVICES. In such units as buying goods, insurance, housing, credit, and medical services, etc., some questions directly pertaining to the learnings should be dealt with to make them more relevant to students, such as:

1. What is the market structure for the good or service at the producer, wholesaler, and retailer levels? How are they different at the various levels for a particular good or service?
2. What goes into the price of the good which is offered in the marketplace? Why is the percent markup for some goods different from others, such as designer clothes versus those purchased "off-the-rack"?
3. What are some recent developments which affected the supply of a specific good or service? How and why did this affect the price?
4. What are some recent developments which affected the demand for a specific good or service? How and why did this affect price?
5. What are some substitutes for a particular good or service? Could these substitutes be considered somewhat like competition for the goods or services selected for study? Why or why not? How can better use of substitutes be made?
6. What role does government play in the market of the good or service being studied? Is there considerable, some, or very little control? What effect has the government control in a particular market had on the functioning of that market?

By answering these questions in each of the units pertaining to buying goods and services, students should gain a better understanding of the learnings which were listed. Markets for various goods and services are quite different. Students should realize the nature of different markets in order to make informed consumer, investor, wage earner, and citizen decisions.

C. CONSIDERATION OF VARIOUS LAWS. Laws are covered in detail in various basic business units, be they in general business or consumer education. Laws, of course, are the primary focus of the business law course.

Many laws relating to our economic world influence specific markets. Students should be taught how to analyze the effects that specific laws have on markets. Again, this is essential background for making decisions as consumers, wage earners, investors, and citizens. Some examples are given:

1. Usury laws. These laws tend to keep the interest rate and supply of certain types of credit (those in which the laws are applicable) relatively

low. As an example, when market interest rates are higher than the maximum rate allowed by a state's usury law, those who can get a loan benefit from the low rate. Many, though, will not be able to get loans because available loan funds are placed in other states or in other loan categories which will allow a greater return to the creditor.

2. Minimum wage laws. These laws tend to eliminate many lower paying positions because employees do not believe it is economically wise to pay the minimum wage for some jobs. Those who have the lower paying positions benefit because they may be earning more income than if their wages were determined primarily according to supply and demand factors. Many, though, are unable to get jobs because of job elimination.

RESOURCE MATERIALS

There are a number of materials available which focus on the analytical, conceptual approach to economic education in basic business courses. Due to space limitations, not all of them can be listed. Mention will be made of those which are and will be available from the Joint Council on Economic Education.

Part II—Strategies for Teaching Economics: Basic Business and Consumer Education (Secondary). This publication is part of the Joint Council's *Master Curriculum Guide in Economics for the Nation's Schools.* This publication includes 18 model lesson plans for various basic business units emphasizing the conceptual, analytical approach.

Consumer and Economic Education in the Public Schools: Avenues for Implementation. This new publication describes the process by which teachers and curriculum developers can plan and implement the integration of more of an analytical, conceptual approach into consumer education units. The monograph includes a hierarchy of the economic concepts found in the *Framework* document which assists in prioritizing and sequencing of the concepts. As shown in Figure III, the concepts are classified into three groupings for purposes of coverage in consumer education: primary, intermediate, and advanced concept clusters.

The hierarchy can be useful in several different ways when planning consumer education units which are found in basic business classes. A study of the hierarchy provides an indication of the background concepts students should understand before coverage of a particular concept. For example, before covering a concept in the advanced clusters, students should have an understanding of those in the primary and at least some of them in the intermediate concept clusters. When covering government intervention and regulation, for instance, students should have an understanding of the primary cluster concepts and at least competition, market structure, interdependence, managerialism, and voluntary exchange in the intermediate clusters.

FIGURE III. A Conceptual Hierarchy for Consumer Economics

Primary Concept Clusters
- Concepts for Evaluating Economic Actions & Policies
- Economic Incentives
- Economic Wants and Resources
- Income Distribution & Government Redistribution
- Markets, Supply and Demand
- Opportunity Costs and Trade-Offs
- Scarcity and Choices
- The Price Mechanism

Intermediate Concept Clusters
- Competition and Market Structure
- Fiscal Policy: Taxes, Expenditures, and Transfers
- Interdependence
- Marginalism and Equilibrium
- Measurement Concepts
- Savings, Investment, and Productivity
- Specialization, Comparative Advantage, and the Division of Labor
- Voluntary Exchange

Advanced Concept Clusters
- Aggregate Demand: Unemployment and Inflation
- Aggregate Supply and Productive Capacity
- Economic Growth
- Economic Institutions
- Government Intervention and Regulation
- "Market Failures": Information Costs, Resource Immobility, Externalities, etc.
- Money and Monetary Policy
- Nature and Types of Economic Systems
- Price Level Changes

Another use of the hierarchy can be to plan economic instruction for specific units or courses. If students in your school have had a lot of economics, the teacher may want to put considerable emphasis on concepts in the intermediate and advanced clusters. Or if students have had little background in economics, much time may well be spent on concepts in the primary cluster with some emphasis on those in the more advanced clusters.

The hierarchy can also be used effectively on a work sheet for an analysis of where various concepts can be integrated into a particular unit. Figure IV gives an example for the housing unit, showing where there seems to be a "good fit" between an economic concept and a section of the consumer education unit. More information about this process can be gained from the publication.

Television/Film Series for Grades 8 - 10. This 12-film series will focus on personal economic decision making for the roles of consumer, producer, and citizen. Besides the visual component, there will be a source document of pedagogical strategies which can be used to exemplify and elaborate on the content of the films. These materials will be well suited for basic business and consumer education courses taught in the business education curriculum. Teacher workshops on how to use the materials will be offered

by the affiliated JCEE centers and councils on economic education. The materials should be available in September 1982.

FIGURE IV. Sample Weighting of Consumer Economic Concepts for Housing

Consumer Economic Concepts	Alternatives	Advantages & Disadvantages	Selection	Financing	Legal Information	Social Problems
Primary Concepts						
Concepts for evaluating economic actions & policies		x	x	x	x	x
Economic incentives	x		x	x		x
Economic wants and resources	x	x	x	x		x
Income distribution & government redistribution				x		x
Markets, supply and demand	x		x	x		x
Opportunity costs and trade-offs	x	x	x	x		x
Scarcity and choices	x	x	x	x		x
The price mechanism	x	x	x	x		
Intermediate Concepts						
Competition and market structure						
Fiscal policy: taxes, expenditures, & transfers				x		
Interdependence						x
Marginalism and equilibrium	x			x		
Measurement concepts				x		
Savings, investment, & productivity			x			
Specialization, comparative advantage, & the division of labor						
Voluntary exchange				x		
Advanced Concepts						
Aggregate demand: unemployment & inflation				x		
Aggregate supply & productive capacity	x					
Economic growth						
Economic institutions				x	x	x
Government intervention & regulation				x	x	x
Market failures: information costs, resource immobility, externalities			x	x	x	x
Money & monetary policy				x		
Nature & types of economic systems					x	x
Price level changes			x	x		

Other materials. Other JCEE materials which can be quite helpful for basic business courses include:

1. Economics in the Business Curriculum, 1972.
2. Teaching Personal Economics in the Business Curriculum, 1972.
3. Test of Understanding Personal Economics, 1972. An updated version of this test is currently under development.
4. Developing Economic Understanding Through General Business and Advanced Basic Business: Course Outlines and Instructional Guides, 1975.
5. Developing Economic Understanding Through General Business and Advanced Basic Business: Instructional Activities, 1975.
6. Analyzing Tax Policy: A Resource Guide, 1979.
7. Analyzing Government Regulation: A Resource Guide, 1978.
8. Analyzing Health Care Policy: A Resource Guide, 1977.

Specialized center for materials. The Joint Council has established specialized centers throughout the nation to perform specific functions on a national basis. The Specialized Center for Business Education is housed at Virginia Commonwealth University in Richmond, Virginia. This Center has a depository of materials focusing on economic education for business education applications. Information about the Center may be secured by contacting the director of the Center.

SUMMARY

The major impact of economic education on basic business education is to provide a conceptual, analytical approach as a focal point for this family of courses. The economic education approach facilitates an objective look at economic problems, encouraging individuals to be better decision makers as consumers, wage earners, citizens, and investors. Economic concepts along with the development of an economic way of thinking can and should be a pervasive part of basic business courses if such courses are truly meeting the objectives of economic education.

CHAPTER 5

The Importance of Free Enterprise Education

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The American free enterprise system has been described by some as the eighth wonder of the world. If that is the case, the ninth wonder of the world must certainly be our ignorance of that system. Few topics of discussion evoke more comment than that of free enterprise—or have more experts propounding their pet theories. The study of free enterprise is much more complex than the dictionary definition of free enterprise implies: "freedom of private business to organize and operate for profit in a competitive system without interference by government beyond regulation necessary to protect public interest and keep the national economy in balance."

PROBLEMS IN FREE ENTERPRISE EDUCATION

The study of free enterprise is an emotional study . . . a political study . . . an ideological study. The study of free enterprise is compounded by the fact that everyone, regardless of how much or how little he/she has studied economics and free enterprise, seems to know all of the answers. Formal education or schooling is not necessary to make one feel one is an "expert" in the area of free enterprise. Anyone who has purchased a candy bar or voted in two consecutive elections or taken a ride on Amtrak or mailed a letter "qualifies" as an expert and is ready to discourse at great lengths on the pros and cons of free enterprise.

Thomas Jefferson indicated that "private enterprise is the foundation of American prosperity." The American free enterprise system has been built on the premise that control in the marketplace rests with the consumer. Whatever other reasons might be advanced concerning the greatness of America, the free enterprise system must rank as one of the foremost contributors to our success.

Although Americans constitute only about six percent of the world's population and occupy a comparable percentage of the world's land area, they own nearly one-half of the world's wealth; produce almost one-third of the world's food supply; own three-fourths of the world's automobiles; own over one-half of the telephones, radios, and televisions; produce about one-third of the world's electric power; and have about 15 times more personal possessions than the rest of the world's population. Whatever factors are

responsible for this disproportionate productivity in relation to population and land area, they deserve our careful examination. These factors must be preserved if America is to continue to exist and be a leader in world affairs. Inherent in our free enterprise system is the need for Americans to understand more about that system. In recent years the public's attitude and feeling toward business has been changing; it has been becoming increasingly less favorable and more hostile. M. A. Wright, commenting on the general loss of confidence in the nation's business institutions, stated: "Ten years ago, 55 percent of the American public expressed confidence in the nation's business leaders. Today this figure stands at 20 percent." [1]

In a survey conducted by the National Conference Board, one of the respondents indicated:

> One of the most serious problems facing American business today is the lack of public understanding about how business operates, the importance of profits to finance the continued expansion of productivity capacity, and the need for increased incentives to make such expansion possible.[2]

If the free enterprise system is to endure and if America is to continue its leadership role in the world economy, it is essential that all Americans understand how this free enterprise system operates, and what factors combine in contributing to America's greatness.

Irving Shapiro, vice-president of the DuPont Company, expressed concern for the free enterprise system and the role of business in that system:

> There is today a mood of cynicism and distrust in business and especially big business. I believe the mood is socially as well as economically destructive. If continued, its net effect will be to drive business and society so far apart that we will no longer be able to cooperate in addressing crucial questions about the future.[3]

W. M. Blumenthal, a member of the Cabinet during the Carter administration, has said: "The public opinion polls continue to show that the proportion of the public which takes a critical or hostile view of business is growing—and this has caused, and should cause, alarm within . . . (the) business community."[4]

This critical and hostile view shared by many Americans must be rationally and logically addressed if our free enterprise system is to survive and prosper. The very foundation of that system is being threatened from other directions as well. Increasing governmental intervention in the affairs of private business, demands by various segments of our society for security regardless of the expense, abuses of the public on the part of some business leaders, neglect of consumer needs and demands, and public apathy and

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[1]Wright, M. A. "Restoring Public Credibility of Business." Speech given to the Chicago Rotary Club, Chicago, Illinois, December 9, 1975.

[2]McGrath, Phyllis. "The Nature of the Issues and the Publics." *Managing Corporate External Relations: Changing Perspectives and Responses*. New York: The Conference Board, 1976. p. 2.

[3]Shapiro, Irving. "Business in Today's Society." *Dartnell Institute of Business Research*. 1976. p. 1.

[4]Blumenthal, W. M. "Business Ethics—Call for a Moral Approach." *Financial Executive*. January 1976. p. 32.

general ignorance concerning our free enterprise system are but a few of the concerns we face.

Ignorance concerning our system should be readily understandable when one considers that only 26.4 percent of the secondary schools offer a course in free enterprise or economics and that only 7.1 percent of the students in those schools take such a course. Presently only 13 states require economics for high school students and only seven states require a K-12 economic education program. Additionally less than three percent of the country's entire high school population ever take a course in economics. Only one-fourth of the college-bound students take a course in free enterprise or economics. Sadly their teachers are not much better off. Half of all social studies teachers have never taken an economics course. Only three states require elementary school teachers to take a course in economics and only 12 states require it for secondary certification.

In a test of 15,000 junior high school students, only 23 percent could correctly identify a simple description of the capitalist system; only 50 percent could differentiate between the economies of the United States and Russia. Only one in seven Americans understands the interrelationship of business, labor, and investors in our economic system. When asked to define "private enterprise," 24 percent of the general population said they "don't know" what it is.

Who is to blame for this alarming lack of knowledge? Some business leaders blame big government. Government officials blame big business. The fault does not lie with any specific group. Government is not solely responsible for the dilemma, nor is business or the consumer. But just as these three components—government, business, and consumer—make up the elements of our system, so they each are collectively responsible for the problems facing us in our free enterprise system.

RESEARCH IN FREE ENTERPRISE EDUCATION

Research studies throughout the years confirm the fact that citizens from all walks of life are basically ignorant concerning the free enterprise system. Researchers have concluded that students possess a very limited understanding of the basic principles of economics and free enterprise. *The Final Report: The Adult Performance Level Study* conducted by the Texas Education Agency concluded that in the area of consumer economics, which would be nothing more or less than the application of economic and free enterprise principles at the consumer level, almost 30 percent of the individuals involved in the study performed at Adult Performance Level 1, which is to say that they would function with difficulty in the area of consumer economics. This means that over 30 percent of the adults in this country are basically illiterate in matters of this type. The study further revealed that another one-third were functional, but not proficient. This means that better than 35 million adult Americans are functioning with difficulty—while an additional 39 million are functional (but not proficient)—in consumer economics.

Various economic surveys have been conducted by, among others, the U.S. Chamber of Commerce; the Business Round Table; the former U.S. Department of Health, Education, and Welfare's Education Commission of the States; and Opinion Research Corporation. The overwhelming consensus of these surveys is that Americans are nearly illiterate in matters economic. The evidence is alarming. We are not literate in principles of free enterprise. What can be done to stem the tide? Survival of our system, of necessity, means that we must first understand that system. What concepts do we need to understand, and more importantly, how can these concepts be taught in such a fashion that students will learn?

PROPOSED RESOLUTIONS OF THE PROBLEMS

If we are to resolve the problems facing us in America, each of the three sectors which make up our economy—business, government, and consumer —must work together in addressing the problems. Governmental leaders must realize that excessive government regulation and interference in the affairs of private business can only persist in promulgating a feeling of distrust and suspicion on the part of business leaders and that excessive taxation and abridgement of personal freedoms can only serve to alienate consumers even more. Business leaders must recognize that they represent only one component of our free enterprise system. They must realize that they have an obligation to work in conjunction with government and consumers if the system is to survive and profit. Business leaders must also realize that they have a social and moral role to play in our society. Lastly, and of most importance to educators, is the obligation on the part of the consumer to become more literate in the ways the free enterprise system functions.

As trite as it may sound, education may well represent the best possible vehicle to be used in resolving the problems dealing with our free enterprise system. All of those individuals who will assume positions of leadership and responsibility in government, business, and the consumer sectors will pass through the doors of our schools. What better place to bring all three of these sectors together than through a balanced, well-integrated approach to the study of free enterprise in our school systems. Such an approach would of necessity begin in elementary school and find its fruition in graduate schools throughout the land. If we are to succeed in making America well, we must begin in the schools.

Further, schools and educators should not wait for legislatures to mandate that they teach free enterprise. Those associated with the education community should be knowledgeable enough to recognize the problems involved and proceed with logical solutions rather than wait to be told what to do.

Such an approach must be based on a total, well-rounded, moderate approach to the study of our free enterprise system. Too often the teaching of free enterprise has been the teaching of the biases of the individual teacher. Too often it has been the teaching of government vs. business,

business vs. consumer, free enterprise vs. communism, free enterprise vs. socialism, consumer vs. government. Too often we have put different sectors or systems in competition with one another.

Too often we have wrongly felt that it is *competition* that has made America great. The true genius of the United States lies not in the principle of competition but in the more important concept of *cooperation*. Teachers need to foster a feeling of cooperation among the various sectors of our system. We need to impart to students information about all sectors of our economy and information about other systems as well and let them make their own decisions concerning the best system. Some states have mandated through their legislatures that free enterprise be taught by comparing it with communism. Such an approach is not an effective way to teach. Too often when we continue to emphasize the negatives about anything we find people rallying to the defense of that about which we are being negative. Just as parents who tell a child not to do something will almost inevitably find the child doing what he/she was told not to do, teaching of free enterprise by contrasting it with other systems may lead students to espouse the system being criticized. The better approach is to teach the merits of the free enterprise system in conjunction with the merits of the other systems and allow the students to make their own decisions as to which system they favor.

Whatever approach is taken to the study of free enterprise, it must begin in the elementary grades. Free enterprise principles affect all of us every day of our lives. We live in a world where we are going to make decisions of an economic nature daily. The child trying to decide what kind of candy bar to buy is faced with the same basic economic decisions as the teenager trying to decide what record to buy or the father trying to decide what kind of automobile to buy. Only the dollar value is different. They each need to understand the processes in which they are involved. The problem is still one of trying to satisfy unlimited wants with limited means.

OBJECTIVES IN TEACHING FREE ENTERPRISE EDUCATION

If the discussion of free enterprise evokes extensive comment, the discussion of what should be included in a course on free enterprise evokes as much—or more—comment and feelings. It has been said that if 25 economists were locked in a room they would emerge with 30 different opinions. The same can be said for teachers of free enterprise. The suggestions for curriculum in free enterprise are usually as numerous as the number of people teaching free enterprise.

The American Economic Foundation offers a starting point for the discussion of free enterprise in the classroom in the form of "The Ten Pillars of Economic Wisdom":

1. Nothing in our material world can come from nowhere or go nowhere, nor can it be free: everything in our economic life has a source, a destination, and a cost that must be paid.

2. Government is never a source of goods. Everything produced is produced by the people, and everything that government gives to the people, it must first take from the people.
3. The only valuable money that government has to spend is money taxed or borrowed out of the people's earnings. When government decides to spend more than it has thus received, that extra unearned money is created out of thin air, through the banks, and when spent, takes on value only by reducing the value of all money, savings, and insurance.
4. In our modern exchange economy, all payroll and employment comes from customers, and the only worthwhile job security is customer security; if there are no customers, there can be no payroll and no jobs.
5. Customer security can be achieved by the worker only when he cooperates with management in doing the things that win and hold customers. Job security, therefore, is a partnership problem that can be solved only in a spirit of understanding and cooperation.
6. Because wages are the principal cost of everything, widespread wage increases, without corresponding increase in production, simply increase the cost of everybody's living.
7. The greatest good for the greatest number means, in its material sense, the greatest goods for the greatest number, which in turn means the greatest productivity per worker.
8. All productivity is based on three factors: (1) natural resources, whose form, place, and condition are changed by the expenditures of (2) human energy (both muscular and mental), with the aid of (3) tools.
9. Tools are the only one of these three factors that man can increase without limit, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production. Proper payment for the use of tools is essential to their creation.
10. The productivity of the tools—that is, the efficiency of the human energy applied in connection with their use—has always been highest in a competitive society in which the economic decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powerful people, regardless of how well-meaning, unselfish, sincere, and intelligent those people may be.[5]

The philosophical impact of these 10 statements is evident. They can readily serve as a beginning point for the teaching of free enterprise. These pillars evolved over a quarter of a century of involvement in espousing free enterprise principles on the part of the American Economic Foundation.

The teaching of free enterprise should also encompass the major economic objectives our society desires to have incorporated into our system. These are (1) economic growth, (2) economic stability, (3) economic freedom, (4) economic efficiency, (5) economic justice and (6) economic security.

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[5] "The Ten Pillars of Economic Wisdom." New York: The American Economic Foundation, 1964.

Economic growth deals with the standard of living enjoyed by people in our society. As we produce more goods and increase our technological know-how, our level or standard of living has increased. Continual growth is sought after in our society.

Economic stability is concerned with the ups and downs of business, the impact of inflation and deflation on the economy. Ideally we seek to lessen the severity of the ups and downs associated with business activity.

Economic freedom is simply the right of the individual to make economic choices. We are continually faced with the progress of making choices. How are we going to spend our resources? What choices will we make? The process involved in making those selections is inherent in the process of economic freedom.

Economic efficiency deals with making the most efficient use of the limited resources available to us. Water for example can be used for many purposes. The problem of efficiency is resolved when we determine to use water in the most efficient manner for the most people. We cannot use all of our water for agricultural purposes, or for culinary purposes, or for recreational purposes. Economic efficiency involves the allocation of resources in a manner in which the goals and interests of the total economy are best served.

Economic justice refers to how wealth is distributed. This has become an increasingly important objective in the United States in recent years. Wealth consists of the total money value of the items someone owns at any given time. All of us desire more wealth; we would like to own more goods such as cars, stocks, real estate, money. Normally wealth or income we receive is a result of the contribution we have made in producing various goods. Generally, the more we produce, the greater will be our share of the total wealth.

Economic security is concerned with making certain that people are able to maintain a certain minimum level of living. Many governmental programs have been enacted over the years to ensure this minimum standard for those in need.

Any curricular offering dealing with free enterprise must give priority consideration to the implementation of these six objectives. It must also consider the basic jobs of any economic system: (1) what to produce, (2) how to produce it, (3) how much to produce, (4) how to distribute what is produced, and (5) provisions for future growth.

All of these jobs must be considered in light of the major economic objectives mentioned. For example, a segment of a society might determine that what it wants to produce is heroin. When production of such a commodity is considered in light of economic freedom and justice, the production of such a product becomes suspect. Any decisions made in a free enterprise economy must be considered in relation to how they will impact upon the entire country.

Additionally there are other basic principles of economics and free enterprise that all members of our society should know in order to function successfully within that system:

1. Wants always exceed resources available to satisfy those wants.
2. The need to economize is inherent in our free enterprise system.
3. Economics can generally be divided into three categories: (1) resource allocation, (2) flows, and (3) coordination.
4. Any economy has a dynamic flow of goods and services and a flow of money.
5. In a free enterprise system, decisions dealing with the economy are generally made in the marketplace.
6. Marketplace decisions are often affected by governmental processes.
7. The three basic economic systems are: traditional, command, and free enterprise.
8. The factors of production are land, labor, capital, and management and that business firms utilize these factors and pay rent, wages, interest, and/or profits for their use.
9. Advances in technology, tools, and machinery and improved education tend to increase production within the system.
10. The gross national product consists of the dollar value of all goods and services produced in the economy in a given year.
11. The basic purpose of any business enterprise is to make a profit.

These objectives, in conjunction with those mentioned earlier, only highlight the content with which a student should be familiar in order to function successfully in our society. Clearly business leaders, educators, government officials, and others have their work cut out for them if they are to make positive contributions to the changing of attitudes and perceptions people have of the free enterprise system and the various institutions associated with that system.

METHODS FOR TEACHING FREE ENTERPRISE EDUCATION

Educators can be most effective in teaching free enterprise by moving away from theoretical processes in teaching free enterprise. It is very difficult for most students to relate the content they receive in the "informational" classroom environment to the real environment they find when they are required to make decisions based on classroom experiences. When individuals get involved in day-to-day activities which have an element of risk and also opportunities for success based on their decisions, they find meaning for free enterprise principles and concepts. Rather than have students memorize, draw charts and graphs, digest formulas, and other related activities, teachers need to relate concepts to the world in which we live. Students who are not going to become economists, and this would consist of the overwhelming majority of students who enroll in free enterprise courses, do not need to know how to compute marginal utility or chart diminishing returns. They need to be involved in activities that will make economics and the free enterprise system meaningful in their daily lives. Knowledge of how inflation erodes the buying power of those on fixed incomes and the social impacts involved is important. Students need to be

able to apply economic concepts to experiences that occur every day and must especially be able to analyze the impact of political events on economic processes.

It is one thing for a student to consider all aspects of an equitable tax system as it is described in a textbook; it is quite another thing to make an unbiased, intelligent decision at the voting polls when some of his or her own hard-earned money will have to go to support a tax proposal. Realism is difficult to achieve in a classroom setting, but teachers must implement simulations and even employ actual business situations such as operating a business as a class project or buying stock and analyzing its growth or decline. The concept used over the years through the Junior Achievement program could well be used as a model for classrooms where free enterprise concepts are being taught. The more frequently a teacher can relate free enterprise concepts to reality, the more frequently students will be able to see the necessity of becoming more literate in free enterprise.

The use of current events of a business, political, and economic nature serves as one of the most effective teaching methods a teacher can employ in teaching free enterprise. Daily discussions of what is going on in the world around us can make free enterprise concepts come alive in the lives of students. People relate to those events and situations which have an impact upon them. Students will be much more likely to understand the basic economic problem of making choices with limited resources when the morning newspaper carries a story stating that gasoline prices have risen another five cents a gallon, but their hourly wage for working at the drive-in has not increased accordingly. The problem of choice becomes more personal and certainly more immediate than if they are presented a theoretical picture of being stranded on a desert island alone with a limited number of resources available. The chances that students will have to buy gasoline are much greater than the chances that they will be stranded on a desert island making choices.

Field trips, guest speakers, films, and filmstrips are only a few of the methods that can be employed to help teachers at all levels bring more realism into the study of free enterprise. Students at the elementary level can gain much in their appreciation of free enterprise by touring various businesses or having business leaders visit them. The organization of a corporation to sell doughnuts and milk during the lunch hour can be a very meaningful experience in free enterprise. Students can learn much about the role of the corporation if they are functioning as members of a board of directors.

Children's literature is also an excellent source of material to explain the free enterprise system. Poems and stories like "Old Mother Hubbard," "The Three Little Pigs," "Quail Can't Decide," and others can serve as excellent illustrations of various concepts for both elementary and secondary education students.

Free enterprise studies should extend beyond the free enterprise classroom. They should be integrated into the total curriculum. The teaching of free enterprise concepts on an integrated basis as a part of every

discipline from kindergarten through college can serve to help each of us make more knowledgeable decisions concerning the choices we make. For example, in a physical education setting consideration could be given to a discussion of the business side of professional sports. Why a Dave Winfield can command an annual salary of $1.5 million can become an intriguing study in supply and demand economics. In health classes, the problems involved in running a hospital or in financing a health insurance program could be readily integrated into various units of study. Just as the use of proper English should be stressed in all disciplines, so should the economics involved in our free enterprise system be stressed in courses other than economics and free enterprise. The study of free enterprise is no less important to our survival than is the study of English.

SOURCES OF MATERIALS IN FREE ENTERPRISE

There are many sources of materials for use in the study of free enterprise. Most major book publishers have excellent materials available. In addition several business firms and foundations have developed materials which can be used profitably in the classroom. Materials from the Joint Council on Economic Education have proven to be very effective. Also the "Economics for Young Americans" kit distributed by the U.S. Chamber of Commerce for high school and junior college students is very well done. Care, however, must be taken to ensure that the materials selected are not just concerned with the selling of the business's position. For example in an article in *Fortune* magazine, Paul H. Weaver said:

> Hundreds of companies are . . . spending tens of millions . . . to purvey something called "economic education." The phrase itself is misleading. To be sure a few companies are doing what it suggests: teaching economics. But most of the activities that go by the name "economic education" have little to do with economics in the strict sense, and none of them is really intended to improve people's minds. They are programs of indirect advocacy, and their purpose is political persuasion. "Don't quote me," says the director of one economic education program, "but we're propagandizing, we're selling."[6]

Business leaders need to realize that "economic education" is not going to suffice for the customer who has been treated shabbily or the consumer who has gotten a "lemon" for a car. It is difficult to convince a customer who has to take a car into the repair shop three times to take care of the same problem that business leaders are concerned about the needs of the consumer and that the free enterprise system is best for this nation. Business leaders must realize that *private* business still has a *public* responsibility if it wants public support and cooperation. The mining company owners who leave the earth scarred and ugly cannot expect praise for their efforts. They have a responsibility to leave the land like they found it, or better. Business needs to think in moral contexts as well as economic and political ones. Rather than think in terms of what is best in terms of profit figures, business leaders must think in terms of what is best for the common good. Some

[6]Weaver, Paul H. "Corporations Are Defending Themselves with the Wrong Weapon." Fortune, June 1977, p. 186.

companies have developed this public-minded responsibility in their programs, and some of these companies will be included in the selected resources section at the end of this article.

SUMMARY

Our free enterprise system will function properly as long as all parties concerned with the system contribute to its vitality and well-being, and the government recognizes its role as being primarily regulatory in nature. If any of the parties involved in our system are slighted, or feel slighted, a lack of trust will result. A lack of trust could be the eroding force than can bring down the free enterprise system. If we are unable to adjust we may find that business, government, consumers, and labor unions will all become enemies. If this occurs, chaos and hatred could easily result. Our free enterprise system would then be susceptible to extinction.

While some may feel competition is what has made America what it is today, cooperation is really what has made America great. We need to generate a new feeling of cooperation. It needs to start in the homes and in the public schools. We need to better teach the principles and concepts of free enterprise if that system is to grow and flourish. The challenge is exciting. The rewards are limitless. The opportunity is ours.

SELECTED RESOURCE ADDRESSES IN FREE ENTERPRISE EDUCATION

Many companies, foundations, organizations, and universities have excellent materials available on free enterprise. The best single publication for teachers is *Organizations Providing Business & Economic Education Information*, which is available through the Public & Government Affairs offices of AMOCO. Their address is included in the list of resources that follows:

The Advertising Council
825 Third Avenue
New York, New York 10022

The American Bankers Association
90 Park Avenue
New York, New York 10016

The American Economic Foundation
51 East 42nd Street
New York, New York 10017

American Enterprise
Teaching Notes
Playback Associates
708 3rd Avenue
New York, New York 10017

American Federation of Labor
815 16th Street, N.W.
Washington, D.C. 20006

The Calvin K. Kazanjian Economics Foundation, Inc.
P.O. Box 452
Wilton, Connecticut 06897

Chamber of Commerce of the United States
1615 H Street, N.W.
Washington, D.C. 20006

Economics
Pueblo, Colorado 81009

Federal Reserve Bank
(12 District Banks)

Free to Choose
(Milton Friedman film series)
Penn Communications, Inc.
1350 West 20th Street
Erie, Pennsylvania 16502

Intercollegiate Studies
Institute, Inc.
14 South Bryn Mawr Avenue
Bryn Mawr, Pennsylvania 19010

Joint Council on Economic
Education
1212 Avenue of the Americas
New York, New York 10036

Modern Talking Picture Service
5000 Park Street North
St. Petersburg, Florida 33709

National Federation of
Independent Business
150 West 20th Avenue
San Mateo, California 94403

Phillips Petroleum Company
Bartlesville, Oklahoma 74003

Public & Government Affairs
AMOCO Standard Oil of Indiana
200 East Randolph Drive
Chicago, Illinois 60601

United States Government
Printing Office
Division of Public Documents
Washington, D.C. 20402

CHAPTER 6

The Importance of Education for Small Business Management

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Each year American society witnesses both the initiation and the termination of thousands of small business operations. Statistics on small business failures are reported so frequently and graphically that many people believe small businesses have little chance for success in today's competitive business environment. The disheartening statistics, however, fail to acknowledge the significance and importance of small business to our American economic system. Ninety-five percent of all businesses in the United States are small businesses; 40 percent of the American business volume is directly attributable to small businesses; 40 percent of the United States labor force is employed by small businesses. When small businesses fail, they usually do so because of managerial inexperience and incompetence. In fact, Dunn & Bradstreet data for recent years attributes more than 90 percent of business failures to inexperienced and incompetent management. Simply stated, the basis of most small business failures lies in the managerial area.

Fortunately, much can be done to alleviate that factor. Instruction in small business management provided to potential and practicing owners and managers can reduce the number of small business failures and the associated costs to society.

But what is small business management education, and where and how does it fit into the curriculum which educates for and about business? Small business management is the application of managerial theory to the small business environment. The commonality between small business management and entrepreneurship is that they both deal with the total business enterprise as opposed to its specific functional areas. While many small business managers need pure business and managerial guidance, they are not always entrepreneurs in the strictest sense of the word because of limited initiative, innovation, creativity, and risk taking. In spite of some differences in focus, the two areas of small business management and entrepreneurship are usually compatible, as they share many elements in common.

More difficult to define is what comprises a small business. While most definitions suggest that a small business is independently owned and managed and does not dominate its field of operation, there is less

agreement relating to the maximum amount of sales volume or the maximum number of employees a business may have and still remain "small." As a result of conflicting ideas about what actually constitutes a small business, there is little complete and reliable data about the small business sector in the American economy.

As more people express their independence and creativity by going into business themselves, interest continues to develop in small business management education. Three separate markets for such education have emerged: the youth market, the collegiate market, and the practitioner market. The youth market is made up of young people either at the secondary or early postsecondary levels who have little knowledge about entering business careers. Small business management education aimed at this market is usually provided by high schools, business colleges, vocational-technical institutes, and community colleges. The collegiate market is composed chiefly of college and university students who have substantial academic knowledge about business at the undergraduate and/or graduate levels. Their more sophisticated curriculum is customarily taught by college and university faculty who have extensive academic and practical consultative experiences in small business management. The practitioner market is comprised of people who already own and/or manage small businesses. While many of these individuals knew little or nothing about small business management when they began, they now realize that their business success may be enhanced by increased managerial competency which may result from practically oriented instruction. Since many practitioners are not interested in taking small business management courses for degree credit, many of the courses aimed at this market are taught by the Small Business Administration, by community colleges, and by colleges and universities as extension courses.

At the secondary level, small business management concepts are taught primarily as part of the business principles and management course, if such a course is offered, or as part of vocational programs, particulary in the area of marketing and distribution. In some areas, selected small business management concepts may be incorporated as part of required free enterprise courses. In fact, an ingenious instructor can infuse such concepts into almost any secondary business education class. So long as administrative and budgetary pressures remain to limit the number of departmental offerings to those which quickly and easily meet minimum class size requirements, the infusion approach may be a particularly viable strategy for small business management instruction in many secondary schools provided that a methodic plan for topic coverage is developed and implemented by departmental members.

At the postsecondary level, small business management concepts are usually taught in specialized courses devoted solely to small business management or entrepreneurship. While most postsecondary business administration courses include content which may be applicable to the small business environment, the content is rarely oriented in that direction. As a result, typical postsecondary business administration students in the

past have received little or no specific instruction in small business management. That situation is changing rapidly, however. Prior to the 1970's, only a small number of postsecondary institutions in the United States offered courses in entrepreneurship and/or small business management. While it first appeared that the area of entrepreneurship was the more popular in terms of number of offerings, the trend today appears to favor small business management. Now approximately 200 postsecondary institutions regularly offer courses in that area. In addition, dozens of educational units and organizations now offer short courses, workshops, and seminars dealing with small business management topics. In fact, teaching small business management has become a growth business in and of itself.

MAJOR OBJECTIVES OF SMALL BUSINESS MANAGEMENT EDUCATION

Although the general objectives of small business management education may vary depending on the length and placement level of the unit or course, the abilities and goals of the students, and the other business classes offered, the basic goals remain relatively constant. Small business management education enables students to:

1. Understand the role of small businesses in the American form of free enterprise.
2. Understand and apply the principles of management as they relate to small business operations.
3. Understand and apply the procedural, technical, and managerial aspects of small business operations in order to make effective decisions and solve specific problems.
4. Integrate a number of sometimes isolated business-related skills and knowledges in the context of small business operations.
5. Organize and operate successful small businesses.
6. Recognize the use and value of auxiliary services and agencies in the management of small business operations.
7. Increase knowledge of specific career opportunities in small businesses and explore whether or not individual aptitudes and abilities are compatible with those of small business entrepreneurship and/or management.
8. Prepare for more advanced reading and study and continue preparation for and participation in small business management as a practitioner, consultant, or teacher.

SUGGESTED SMALL BUSINESS MANAGEMENT CONTENT

The content selected for a small business management unit or course must be compatible with the unit or course objectives and the orientation selected by the instructor. Typical small business management units or courses include coverage of most or all of the following major areas:

1. The small business environment
2. Initating a small business

3. Basic managerial considerations
4. Marketing considerations
5. Financial and administrative considerations
6. Legal and governmental considerations
7. Operating typical kinds of small businesses
8. Sources of small business assistance
9. Characteristics of successful small business entrepreneurs and managers.

Presentations about the small business environment typically include information about the importance of small businesses in our American form of free enterprise. The relative strengths and weaknesses of small businesses are usually discussed as are future prospects for them.

Material dealing with initiating a small business often includes such topics as selecting the right kind of business opportunity and the various routes to business ownership. Legal implications of various business organizational forms are frequently detailed. Franchising opportunities may be included in this section, as well as information about sponsors of small businesses. Obtaining initial capital and credit, a crucial aspect of small business operations, is usually discussed in detail. Selecting the best business location and planning the physical facilities for the venture are also important topics.

Basic managerial concepts are presented in the context of small business managerial strategies and objectives. The entire area of planning normally receives in-depth coverage, and quantitative decision-making tools are usually presented, particularly at the postsecondary level. Since the success of small business operations hinges to some degree on organizational structure, that topic is examined thoroughly. Personnel matters, human relationships, and strategies for the day-to-day management of ongoing small business firms are also significant concerns.

Small business ventures exist to market goods and/or services, so marketing-related considerations are very important. Basic marketing concepts are often reviewed prior to in-depth study of pricing and selling goods and/or services.

Basic concepts of financial and administrative management are presented before any detailed study. Money is the lifeblood of business operations, so it is essential to learn about the financial aspects of small business operations on a day-to-day basis. Accounting records and procedures and forecasting and budgeting are included. Production operations and inventory controls typically receive some coverage, as do business risks and insurance. Basics of small business regulations and information about business taxation are discussed in almost all small business management courses or units.

Study of typical kinds of small business operations often serves as an excellent review of small business management concepts. Retail, service, and manufacturing businesses are frequently used as vehicles for such a review.

Potential sources of small business assistance are important. Although many people are aware of the Small Business Administration, they are unaware of the wide variety of other possible sources of small business assistance that exist in many areas.

Many small business management units or courses fail to provide sufficient information about the characteristics of successful small business entrepreneurs and managers. If one of the objectives of small business instruction is to assist individuals in determining whether or not they have the necessary attributes to be successful small business entrepreneurs and/or managers, this topic cannot be ignored. An understanding of the personal characteristics of successful small business entrepreneurs and managers will lead to wiser career choices and fewer small business failures.

A basic topic outline for a one-semester postsecondary course in the area of small business management is provided in Figure I. The outline is included only as a guide; it suggests the kinds and possible order of topics which may be included as part of a comprehensive program in small business management education. At the secondary level, most of the same topics are relevant to a small business management unit or course, but the instructor will have to judiciously pare down the content to meet student levels and needs. A number of the basic small business management concepts can be infused into such typical secondary business education offerings as accounting, business law, consumer economics, general business, and office procedures as well as into offerings of related departments.

SELECTING MATERIALS FOR SMALL BUSINESS MANAGEMENT EDUCATION

As interest grows in the teaching of small business management concepts, so does the available number of printed materials. Selecting the best written materials for small business management education can be an overwhelming task without some kind of methodic approach. Perhaps one of the best methods is to evaluate a number of selected materials against such criteria as the following:

1. Physical aspects
2. Compatibility with course objectives
3. Availability of teachers manuals and/or resource materials
4. Logical and sequential development of content
5. Flexibility of instructional strategies
6. Adequacy and currency of content
7. Suitability in terms of interest, vocabulary, complexity of concepts, and reading grade level
8. Overall suitability.

Most small business management materials on the market today are acceptable in terms of such physical aspects as paper quality, binding options, and print size. Some of the materials have more interesting formats and

Figure I. A Suggested Topic Outline for a One-Semester Postsecondary Course in Small Business Management

I. The Small Business Environment
   A. Small business and the American economy
   B. Strengths and weaknesses of small business
   C. The future of small business

II. Initiating a Small Business
   A. Selecting the right kind of business opportunity
   B. Routes to business ownership
   C. Legal forms of business organization
   D. Franchising
   E. Sponsors of small business
   F. Obtaining initial capital and credit
   G. Locating the business
   H. Physical facilities

III. Basic Managerial Considerations
   A. Basic managerial concepts
   B. Small business managerial strategy and objectives
   C. Planning and quantitative decision-making tools
   D. Organizational structure
   E. Personnel and human relationships
   F. Day-to-day management of the ongoing firm

IV. Marketing Considerations
   A. Basic marketing concepts
   B. Pricing and selling products or services
   C. Marketing research
   D. Credit practices

V. Financial and Administrative Considerations
   A. Basic financial and administrative concepts
   B. Financing the ongoing business
   C. Accounting records and procedures
   D. Forecasting and budgeting
   E. Production operations and inventory controls
   F. Risk and business insurance

VI. Legal and Governmental Considerations
   A. Basics of small business law
   B. Governmental regulation

VII. Operating Typical Kinds of Small Businesses
   A. Retail business
   B. Service Business
   C. Manufacturing business

VIII. Sources of Assistance for Small Businesses

IX. Characteristics of Successful Small Business Entrepreneurs and Managers

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layouts than others, and this aspect should be considered, particularly at the secondary level.

The closer the match between the instructional objectives and the selected texts, the better. A wide variety of objectives are explicit and

implicit to varying degrees in the many small business materials on the market. Select as a primary text a book with an orientation which is compatible with the course objectives and the general viewpoint of the instructor.

Some small business management materials are designed primarily as basic texts and come with teachers manuals and/or packages of resource materials; others are designed primarily as resource materials and have no supplementary aids. Although many experienced teachers do not use teachers manuals and resource materials extensively, they may find such aids valuable the first time the materials are used.

Some small business instructional materials seem to be more logically and sequentially arranged than others. Choose those that are organized so that they are compatible with the orientation of the course and that of the teacher.

When evaluating small business management materials, consider the flexibility of instructional strategies. Do the materials encourage student involvement? allow for individual group usage? provide for individual differences?

Consider the adequacy and the currency of content when evaluating materials for small business instruction. A recent copyright date does not guarantee that what is inside the covers is complete or up to date.

Readability considerations are important when selecting instructional materials. Estimate the reading grade levels of instructional materials yourself by using a formula such as the Flesch Reading Ease Score or the revised version of Fry's Readability Graph rather than relying on publisher-provided measurements. Consider whether or not the reading material is suitable for the target audience in terms of reader interest, sophistication of vocabulary, complexity of concepts, and reading grade level.

Many small business management materials contain biases, some unintentional and some intentional. Check the problems, exercises, and cases as well as the textual narrative for biases regarding race, sex, age, and the like. Occasionally evaluators of small business materials uncover blatant examples of prejudice, most frequently against female and minority small group business entrepreneurs.

After evaluating materials for small business instruction against criteria such as those identified above, the better instructional materials may be identified and selected for classroom use. Although most business teachers think in terms of using one primary instructional text, using more than one is also an option. Particularly in circumstances where the reading grade levels and/or intellectual capabilities of the students vary substantially, consider giving the students the choice of several different texts which have comparable content. Teaching may be easier and student achievement greater when an attempt is made to provide for individual differences.

SOME SUGGESTED TEACHING PROCEDURES

A wide variety of teaching procedures are available to an instructor of small business management units and courses since the subject is a dynamic

one. Among the more appropriate and frequently used teaching procedures are the following, classified by broad categories:

Reading assignments. If students are expected to read small business management materials, the instructor must assign materials appropriate to their reading grade levels. If reading materials are too difficult, students quickly become frustrated and lose interest in the content; if reading materials are too easy, students tend not to bother to read them at all. Since both of these situations are highly undesirable, an instructor needs to select appropriate materials in terms of reading grade level and concept difficulty if students are to gain substantial knowledge from their reading.

An instructor should set a specific purpose for each reading assignment. Rather than saying, "Read pages 10-33," the instructor might say, "Read pages 10-33 to find out about the advantages and disadvantages of the proprietorship, the partnership, and the corporate forms of business organization." In this way, the instructor lets the students know what they should gain from the reading assignment. The instructor should also consider the length of the assignment since in a normal distribution of readers the fastest reading student reads at a rate of approximately ten times that of the slowest reading student. When the vocabulary or concept burden of reading materials is high—and very often this is true—the instructor should preview the vocabulary and or concepts in order to enhance the students' level of comprehension.

Class lectures and discussions. Lecture, the verbal presentation usually made by the instructor which may not be interrupted by student questioning, is frequently used as a means of transmitting new material. Although the lecture method is efficient in the sense that it provides the instructor with an opportunity to present a considerable amount of material within a relatively short period of time, he or she must be sure that the students remain attentive. Most class sessions can be made more effective learning experiences if the students assume a more active role by engaging in such activities as asking questions, discussing material, and solving application exercises in addition to listening to lectures. Sometimes the instructor may ask a number of goal-directed questions in order to increase understanding. This technique, called directed questioning, is similar to the Socratic method, where the instructor and students cooperatively examine and reason in order to develop irrefutable certainties. In general, the more actively involved students become with the content materials, the greater their retention and ability to use these materials at a later date.

Application exercises. Application exercises include a variety of activities designed to encourage students to make practical use of recently learned content. An exercise which gives the students a city map, a description of business needs, and descriptions of possible business locations and asks them to select the best business site is an appropriate application exercise after the study of business site location. An exercise where students study, select, and justify the better of two business floorplans is an appropriate one to follow the study of planning physical facilities for business. The extensive solving of problems related to the small business management course

content is particularly appropriate for topics dealing with budgeting, forecasting, and the like.

The case approach is another frequently used type of application exercise in small business management courses. The case method involves the presentation of a realistic set of facts in order to elicit interpretations and solutions which are reasonable in the given circumstances. In addition to having students summarize the facts, state the problem(s), postulate possible solutions, and select and justify the best solution, consider the following suggestions for enhancing student success with case problems. Provide guide questions for each case which focus student attention on the primary issues. Provide students with case worksheets which identify problems by functional areas, by process, and by time so that they can record, analyze, and make recommendations in each pertinent area. By focusing student attention on one selected case aspect at a time, such approaches keep students from being overwhelmed by the multitudinous pieces of case datum.

Role playing, the acting out of assigned parts in order to facilitate learning, is a particularly well suited application exercise to culminate study of interpersonal relationships in the working environment. Role playing allows students to deal with and profit from the solution of situations without the possibility of suffering from the serious consequences of choosing an inappropriate method of solution. Role playing typically elicits valuable group interaction which can be equally insightful to the participant players and to the audience.

Research activities, whether library based or field based, are frequently used in small business management instruction. Such research is particularly appropriate for such topics as competition, marketing strategies, personnel needs and practices, and the like.

Speakers. Most student groups respond favorably to other speakers in addition to the instructor. Possible speakers for small business management units or courses include successful and unsuccessful small business practitioners. Although most instructors would choose successful small business operators, the unsuccessful ones may have experiences which are equally valuable to the class, especially when one considers that the instructor's role is that of an advocate for small business. A more balanced and realistic overall perspective of small business operations might be presented to students if they have interaction not only with successful but also with unsuccessful small business operators. Another potential source of insightful speakers is the local office of the Small Business Administration. Since many SBA employees and members of associated groups such as the Service Corps of Retired Executives have field experiences in dealing with businesspersons as well as experiences in conducting workshops for small business operators, they may be particularly valuable speakers who understand the needs and goals of educational presentations. Potential speakers on small business management topics might also come from associated business and governmental agencies.

CONCLUSION

Now is the time for the small business management education movement to reach toward its potential. Small businesses are an important component of our American economy, and interest in them continues to grow. By increasing the availability of small business management education to potential and practicing owners and managers of small business ventures, business educators can strengthen our American free enterprise system and the great American dream that anyone can own a business.

CHAPTER 7

Business Law: Its Role in Basic Business Education

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"Coal miners ratified a new 40-month contract, ending a 72-day strike."[1] *"A city sold commercial paper at an interest rate of 6.1 percent."*[2] *"IBM and the government rested their cases in their 12-year-old antitrust battle."*[3]

These excerpts are from articles that appeared in the *Wall Street Journal*. In reviewing these and other related news items, which regularly appear in various newspapers and magazines, business educators cannot question the value that a course in business law can be to students at the secondary school level. Each day the economic and social complexities of society warrant the interpretation of laws and how these laws will influence the lives of students and their families.

NEED FOR BUSINESS LAW

The business education curriculum is comprised of courses *for* business and *about* business. The business law course falls in the category of *about* business because of its general education applications not only to business situations but also to personal situations as well. The incorporation of economic and social concepts as they relate to the law will afford business students the opportunity to develop a fundamental understanding of legal aspects facing them currently and in the future.

Legal issues, which have arisen because of a reinterpretation of the law based on new evidence, have affected countless numbers of people from a business as well as personal and consumer viewpoint. It is because of this new evidence of situations where individuals' rights have been violated that students need to be aware of the circumstances that can affect them. Ignorance of the law is no excuse when individuals' rights have been violated. With the legal principles and rules constantly changing to reflect a society with deeper concerns for political awareness, consumer rights, and employment and environmental problems, business educators have a

[1] "What's News." *Wall Street Journal*, June 8, 1981. p. 1.

[2] "What's News." *Wall Street Journal*, June 3, 1981. p. 1.

[3] "What's News." *Wall Street Journal*, June 2, 1981. p. 1.

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shared responsibility with society as a whole to develop a well-formed and productive citizen.

George Spiro, in his article entitled "Reexamine Business Law for High School Students," stated that "what high school students should learn is what the laws mean, where they came from, and what they are designed to accomplish."[4] Bearing these points in mind, business educators can help students understand, appreciate, and apply the law conceptually to themselves as citizens and as future employers and employees.

In addition to the value of the course to the students, the teaching of business law carries with it a prestige factor. Ray Faidley and Audrey DeMuth conducted a prestige study of 16 business education subjects. In this study, they asked the officers of all the Delta Pi Epsilon chapters to rate the subject according to prestige. The five highest prestige mean rankings were accounting, data processing, shorthand, business internship, and business law, with the latter two having an insignificant difference between their means.[5] Therefore, the business law course provides not only a subject of significant value to secondary students, but it also conveys for the law teachers a positive prestige factor among their peers.

COURSE OBJECTIVES

The objectives of a business law course must be specifically stated, meaningful, and easily measurable. Obviously, each school system should develop its own set of objectives based on its students' specific needs. However, the following 10 objectives are fairly representative of the typical objectives developed by many school systems:

1. To acquire a fundamental understanding of legal principles and procedures as they relate to various personal, consumer, and business situations
2. To develop an awareness of one's legal rights and obligations as a productive member of society
3. To demonstrate an ability to recognize and use legal documents that are common to various personal, consumer, and business situations
4. To display an understanding of the function and structure of the federal, state, and local judicial system
5. To exhibit an awareness of the legislative process at the federal, state, and local levels of government
6. To recognize in a personal, consumer, or business situation when the advice of legal counsel is warranted
7. To develop a basic understanding of the meaning of legal terms used in personal, consumer, and business situations
8. To explore the possibility of a career in some aspect of law such as an attorney, paralegal, legal secretary, etc.

[4]Spiro, George. "Reexamine Business Law for High School Students." *Business Education Forum* 35:30; October 1981.

[5]Faidley, Ray A., and DeMuth, Audrey S. "A Prestige Study of Business Education Subjects." *Delta Pi Epsilon Journal* 19:29; January 1977.

9. To demonstrate an awareness of the applicability of business law to other business courses, including such areas as accounting, marketing, personnel, etc.
10. To exhibit an understanding of the role business law plays in the social and economic system of free enterprise.

COURSE CONTENT

Generally business law teachers follow the content dictated by the particular textbook they are using in presenting information. Obviously, this procedure is not incorrect because the arrangement of the units has been tested over time and proven to be effective. However, as in the case of course objectives, each school system should develop its own course content outline based on its students' specific needs.

For example, a recent business education curriculum project, *Business Education into the Eighties*, was developed under the auspices of the Illinois Business Education Association. This project contained the following suggested business law course outline that may be adapted by other Illinois school systems:

I. The American Legal System
   A. Classifications of Law
      1. Constitutional law
      2. Statute law
      3. Common law
      4. Administrative law
      5. Business law
   B. Legal Issues Confronting Adults' and Minors' Due Process
      1. Rights after arrest
      2. Search and seizure; stop and frisk
      3. The legal issues of minors and—
         a. Automobiles
         b. Schools
         c. Parents
         d. Marriage
         e. Emancipation
         f. Business transactions
   C. Torts and Crimes—the differences between criminal law (crimes) and civil law (torts)
   D. The Court System
      1. The federal courts
      2. The state courts
      3. Criminal procedures
      4. Civil procedure
      5. Trial procedure

II. Formation of Contracts
   A. Mutual Assent
      1. Offer
      2. Acceptance

B. Competency of Parties
   1. The minor
   2. Others incapable of contractual capacity

C. Consideration
   1. Elements of consideration
   2. Cautions to be observed

D. Legality of Subject Matter
   1. Legal v. illegal subject matter
   2. Agreements in restraint of trade

E. Reality of Consent
   1. Fraud
   2. Duress
   3. Undue influence
   4. Mistake of fact

F. Statute of Frauds
   1. Contracts requiring writing
   2. Elements necessary for written proof

G. Assignment and Discharge of Contracts
   1. Rights and remedies of assignor and assignee
   2. Termination by performance
   3. Termination by agreement
   4. Termination by operation of law

H. Breach of Contract Remedies
   1. Cancellation
   2. Dollar damages
   3. Specific performance

III. Bailments

A. Types of Bailments
   1. Mutual benefit
   2. Sole benefit of bailor
   3. Sole benefit of bailee

B. Rights and Duties of Parties
   1. Rights of bailee and bailor
   2. Duties of bailee and bailor

C. Extraordinary Bailments
   1. Common carriers
   2. Innkeepers
   3. Extraordinary bailees as insurers of goods

IV. Law of Employment

A. Employment Contracts
   1. Collective bargaining
   2. Rights and duties of employer
   3. Rights and duties of employee
   4. Rights and duties of independent contractor

B. Employee Legislation
   1. Child labor laws
   2. Minimum wage laws
   3. Civil rights
   4. Unfair labor procedures

C. Protection of Employee
   1. Common law duties and obligations of employer and employee
   2. Worker compensation benefits

V. Law of Property
   A. Personal Property
      1. Methods of acquiring personal property
      2. Types of ownership
   B. Real Property
      1. Methods of acquiring real property
      2. Procedure in buying real property
   C. Landlord—Tenant
      1. Rights and obligations of landlord
      2. Rights and obligations of tenant
      3. Types of leases
   D. Wills and Estates
      1. Requirements of a will
      2. Types of wills
      3. Dying without a will (intestacy)

VI. Law of Sales
   A. The Sales Contract
      1. Form
      2. Subject matter of a sale
   B. Title Transfer
      1. When does title transfer
      2. When does risk of loss transfer
   C. Warranties
      1. Express warranties
      2. Implied warranties

VII. Insurance
   A. Insurance Concept
      1. Theory of insurance
      2. History of insurance
   B. Casualty Insurance
      1. Homeowners insurance
      2. Other property insurance
      3. Special coverages
   C. Life insurance
      1. Purpose of life insurance
      2. Types
      3. Special clauses
   D. Health and Accident Insurance
      1. Hospitalization
      2. Accident
      3. Disability
   E. Auto Insurance
      1. Liability
      2. Collision
      3. Comprehensive

4. Uninsured motorist
5. No-fault auto insurance

VIII. Business Organization
A. Types of Business Structure
1. Sole proprietorship
2. Partnership
3. Corporation

B. Government Regulation of Business — Federal Agencies[6]

In addition to the previously mentioned course content, other areas of the law that can be added are commercial paper, agency, bankruptcy, trusts, secured transactions, basic income tax law, copyright law, and environmental legislation.

INSTRUCTIONAL MATERIALS

A wide range of instructional materials is available for the business law class. The following is a list of materials along with the name and address of the publishers:

Films

Business Education Films, 7820 20th Avenue, Brooklyn, NY 11214

Basic Law Terms
Common Law
Contract Law
The Criminal Justice System
Due Process of Law
Jury and Juror: Function and Responsibility
Juvenile Law
Read Before You Write
Right Hand of the Court
Right to Legal Counsel
Story of a Trial
Traffic Court
The True and the Just
Insurance
Insurance: What It's All About
Life Insurance: What It Means and How It Works

Coronet Instructional Films, 65 E. South Water Street, Chicago, IL 60601

Why We Respect the Law
What Is a Contract
What Is a Corporation

Sound Filmstrips

Business Education Films, 7820 20th Avenue, Brooklyn, NY 11214

Automobile Insurance
Business Organization: Types of Ownership
Guarantees, Warranties, and Services
Insurance for the Home
The Legal Secretary
Recognizing Fraud, Quackery, and Deception

South-Western Publishing Co., 5101 Madison Road, Cincinnati, OH 45227

Applied Business Law

Cassettes

Correctional Service of Minnesota, Box 851, Minneapolis, MN 55440

Let the Buyer Beware—The Law of Warranties

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[6]Green, Hayden, and others. "Basic Business and Economic Education Programs." *Business Education into the Eighties*. Springfield, Ill.: Illinois State Board of Education, Department of Adult, Vocational and Technical Education, 1979. Appendix E, pp. 4-6.

Learning Arts, P.O. Box 179, Wichita, Kansas 67201
Business Law

Cassettes and Slides

J. Weston Walch, Publisher, Box 658, Portland, ME 04104
Contract Law

Cassettes and Transparencies

Western Tape, 2761 Marine Way, Mountain View, CA 94040
Forms of Law
Courts and Legal Aid
Crimes and Torts
Business Organizations
Insurance

Transparencies

Lansford Publishing Co., P.O. Box 8711, San Jose, CA 95155
Affirmative Action and Equal Employment Opportunity

Paperbacks, Pamphlets, and Other Materials

The American Bar Association, Special Committee on Youth Education for Citizenship, American Bar Center, 1155 East 60th Street, Chicago, IL 60637
Law-Related Education in America: Guidelines for the Future
Teaching Teachers About Law: A Guide to Law-Related Teacher Education Programs
Mandate for Change: The Impact of Law on Educational Innovation
Building Bridges to the Law: How To Make Lawyers, Judges, Police and Other Members of the Community a Part of Your Law-Related Education Program
Directory of Law-Related Education Projects
Bibliography of Law-Related Curriculum Materials: Annotated
Media: An Annotated Catalogue of Law-Related Audiovisual Materials
Gaming: An Annotated Catalogue of Law-Related Games and Simulations
The $$ Game: A Guidebook on the Funding of Law-Related Educational Programs

Anderson Publishing Company, 646 Main Street, Cincinnati, OH 45201
Teaching About the Law

Boy Scouts of America, P.O. Box BSA, Paramus, NJ 07652
Law

Consumer Information Center, Dept. 532G, Pueblo, CO 81009
Consumer's Resource Handbook

J. Weston Walch, Publisher, Box 658, Portland, ME 04104
Business Law Quizzes (spirit masters)
Sales and You (posters)
"Things" from Business Law
Dramatizing Business Law
How To Teach Business Law
You and the Law
150 Activities for Business Math and Law Classes
200 Cases for Business Law

U.S. Small Business Administration, P.O. Box 15434, Fort Worth, TX 76119
Selecting the Legal Structure for Your Firm—Management Aid 231
Incorporating a Small Business—Management Aid 223
Legal Services for Small Retail and Service Firms—Small Marketers Aid 118
Business Life Insurance—Management Aid 222

Periodicals

The American Bar Association, Special Committee on Youth Education for Citizenship, American Bar Center, 1155 East 60th Street, Chicago, IL 60637
Update
LRE Project Exchange

Very often articles dealing primarily with legal issues facing state residents appear in periodicals published by university divisions of business and economic research. Business law teachers may contact the universities in the states that they teach and ask to be placed on the mailing list.

Instructional Television Series

The South Carolina Department of Education's Office of Instructional Television and Radio, South Carolina Educational Television, and the South Carolina Bar Association have produced an instructional television series entitled "Ways of the Law." This series features an introductory program and 14 twenty-minute lessons designed for students at the high school level. Also, each lesson is supplemented with a guide manual.

The lessons in this instructional television series are as follows:

Introduction
Sources of Law
Reasons for Law
Criminal Procedure
Substantive Criminal Law
Law Enforcement
Law Enrocement—Patrol Officers
Family Law—Juvenile Justice
Family Law—Domestics
Wills and Estates
Contract/Consumer Law
Civil Law
Environmental Law
Due Process
Our Legal System

This instructional series can be adopted by other educational jurisdictions as well. For example, a joint effort between the Louisiana Department of Education's Office of Instructional Television and the Young Lawyers Section of the Louisiana State Bar Association provided this instructional program which aired over the Louisiana Public Broadcast System during the spring of 1982. The Young Lawyers adapted each guide manual to specifics of Louisiana Law.

To receive further information on "Ways of the Law," contact the South Carolina Department of Education's Office of Instructional Television and Radio, P.O. Drawer L, Columbia, SC 29250.

TEACHER BACKGROUND

Teaches of business law must be committed to keep pace with the constant change of the dynamics of law through reading and continuing education. Because of the personal application and the timeliness of the material presented in the business law course, business law teachers must be knowledgeable of all aspects of the law, with particular emphasis on those laws in the states where they teach.

In many teacher preparation programs, one course in business law is usually all that is required. Those students who are concentrating in the basic business area should include at least one more business law course in their program. Because of their background in the basic business subjects, as well as their methods course directed toward that area, these students will be in a better position to teach the business law course.

In addition to the course work, students who are preparing for the possibility of teaching business law, as well as beginning and experienced teachers of business law, should be aware of how their behavior can affect their students. Kenneth Wilkinson conducted a study of effective and ineffective business law teacher behavior as observed by secondary business

law students. He concluded that there are certain patterns of behavior that are identified with an effective and ineffective business law teacher.[7]

Business law teachers must be able to recognize what their limitations are in terms of teaching methodology and course content. Once the identification of these limitations has been made, business law teachers will be able to direct their continuing education effort to making them more effective in the business law classroom.

ARTICULATION

Because of the scope of the material being presented in the high school business law course, business educators should encourage their business law students to take the College Level Entrance Program (CLEP) or similar evaluation program to receive college credit. This process could be possible particularly in those high schools that teach business law for the entire year. When students recognize that they can earn college credit, the motivational factor becomes very positive.

CONCLUSION

Because of the changing nature of the laws affecting business and its relationship with society as a whole, the business law course presents many opportunities for creative and innovative approaches to the teaching and constant development of this course. The business law course will remain as a viable course within the business curriculum through its service as a challenging and dynamic learning process for both students and teachers.

[7]Wilkinson, Kenneth L. "Effective and Ineffective Teacher Behavior as Viewed by Students in Secondary Business Law Classes." *Delta Pi Epsilon Journal* 21:7; January 1979.

CHAPTER 8

The Role of General Business Education In Basic Business

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If one peruses the literature related to basic business, it becomes apparent that the general business course has been the core of the secondary school basic business curriculum for over 75 years. Indeed, at one time general business was the only basic business course offered by secondary schools. In many small school systems throughout the nation this is still the case in the 1980's. For this and other reasons, the basic business segment of the secondary school business education curriculum has been referred to as the "general business" segment by some business educators as well as by other teachers, administrators, counselors, and the public. Just as there has been some confusion over the years regarding exactly what is meant when one comes across the term general business in the literature, there has also been confusion regarding what the objectives and content of the general business course should be. The purpose of this chapter is to briefly review the background, the current thinking regarding objectives and content as well as instructional materials and teaching methodology, and the future of general business.

BACKGROUND INFORMATION

As indicated above, the general business course has been present in the secondary school curriculum since the beginning of the twentieth century. The first textbook, *A First Book in Business Methods* by William P. Teller and Henry E. Brown, was published in 1903 by Rand McNally and Co., Chicago. The objectives, content, grade level, and learning activities of the course have been greatly affected by the economic and social conditions of the nation during this century. Therefore, the course has had a variety of major objectives over the years and at one time or another has been specifically geared to developing vocational, prevocational, consumer, and economic competencies in students ranging from grades 7-12. Although it is impossible to make an absolute distinction between the nature of the general business course as offered from 1900-1960 and the nature of the course as offered from 1960-80, there seem to be sufficient differences to enable one to make such a division for review purposes.

General business course—1900-1960. Some business educators feel that the general business course has never really reached its potential to be an established, popular course in the secondary school business curriculum. There are perhaps as many reasons for this as there are general business teachers. One of the major reasons for the relatively poor success of the course prior to 1960, however, is the fact that the major objective of the course was never really established. It was like a moving target—changing from vocational to exploratory to prevocational to consumer education during this period of time.

The original purpose of the general business course was vocational preparation. From 1900-1920, and especially during the "Roaring Twenties," there were increased business activities of all kinds. Many students left school for work, and many found work in business firms doing clerical-type jobs—as messengers, file clerks, cashiers, timekeepers, and so on. They had to be taught various skills before they left school, and general business was the course in which this task was accomplished.

The vocational thrust of the general business course was put aside as the depression arrived and there was a rapid increase in unemployment at the beginning of the 1930's. The major objectives of the course changed to providing consumer information, prevocational exploratory information, and a foundation for future study in business courses. The effects of compulsory school attendance laws which kept more students in school for more years and the development of the junior high school brought increases in general business enrollments at this time. Data collected in the mid thirties indicates that enrollments in basic business courses increased from 3 percent of all high school students in 1928 to over 6 percent in 1934. Courses such as Junior Business Training and General Business Science had gains in enrollment similar to those experienced in basic business in general.

The forties were the era of the boom days of World War II and increased business activity in the postwar years. The emphasis on consumer education was decreased in the general business course during this time. During the latter years of this decade, it was important to teach young people as much as possible about the functions of business and the role this sector of society had to play in their personal lives and the society in general. This became a major objective of the general business course at this time. One indication of the importance of general business and other basic business courses of the day is the fact that *General Business Education* was the title of the 1949 American Business Education Yearbook.

During the recessions of the fifties there were sporadic returns to re-emphasizing the consumer education component of the general business course, but the major emphasis switched back to teaching what was necessary to educate youth for effective business life. In addition, there was a focus on helping students understand and appreciate the business-economic system of our nation. In the late fifties business educators first became seriously concerned about economic education. *Educating Youth for Economic Competence* was the title of the 1959 American Business Education Yearbook.

Although the scenario described for each of the decades preceding is generally accurate, there really was no exact point in time when one major purpose of the general business course gave way to another. Between 1900 and 1960 the emphasis shifted and the objectives changed slightly, but the basic content and teaching methods of the course changed very little during its first 60 years.

General business course—1960-80. The so-called economic education movement was stimulated by a threat from leaders of the USSR that they would "bury" our nation with economic and technical knowledge and the belief of some leading economists that economics courses could be taught at the high school and grade school levels as well as at the collegiate undergraduate and graduate levels. There is no absolute beginning date for the economic education movement, but certainly one of the first significant events in this area was the appointment of the National Task Force on Economic Education in 1960. This group of distinguished economists was selected by the American Economic Association, financed by the Committee for Economic Development, and charged with identifying and describing the minimum understanding of economics needed for good citizenship and attainable by students before they leave high school. The economic education movement as well as some other factors have had a strong influence on the general business course in the past two decades.

Although there was some interest in economic education among business educators prior to 1960, it was during the "Soaring Sixties" that the emphasis in most basic business courses, including general business, shifted toward developing economic understanding. The Joint Council on Economic Education (JCEE) was established to promote and foster economic education at all levels. From its beginning in 1949 until 1960, it worked primarily with social studies teachers. In 1960 the JCEE and the National Business Education Association (NBEA) cooperated to sponsor a National Workshop on Economics designed specifically for business education teachers. This was the first of many cooperative ventures between the JCEE and NBEA. The two groups cooperated on a number of activities in the sixties and seventies which led to publications of materials designed to help business educators teach economic concepts in the secondary school business curriculum.

In contrast to the constantly shifting emphasis of the major objectives of the general business course before 1960, it has been almost unanimously agreed during the past two decades that developing economic literacy is the primary objective of the course. In 1970 the Policies Commission for Business and Economic Education expressed its belief that business education has an important contribution to make to developing economic literacy among all secondary school students. A review of the literature during this period substantiates the agreement on the major objective of general business.

Developing consumer competencies has continued to be an important objective of some general business courses, particularly in schools where there are no specific courses designed to meet this important personal objective. The renewed emphasis in the consumer movement that was

signaled by President John F. Kennedy's identification of a Consumer Bill of Rights in 1962 continued through the sixties and seventies. In 1973 the Policies Commission for Business and Economics expressed its belief that consumer education should be a part of every student's general curriculum and that business education can contribute to consumer education without duplicating the efforts of other curriculum areas.

Inflation, pollution, and the energy crisis were among the major consumer problems in the seventies. Where these topics were included in the general business course, they were reviewed and studied as economic problems for all of society as well as consumer problems related to individuals. The Joint Council on Economic Education brought together economists and business educators to prepare *Teaching Personal Economics in the Business Curriculum*, a 1973 publication. The purpose of this publication was to identify important economic concepts which should and could be taught from a personal as well as societal point of view. The publication was developed to encourage business educators to teach students that basic economic concepts are applicable to personal or consumer issues and that such issues should not, indeed cannot, be resolved without considering this fact.

As a result of the fact that almost unanimous agreement was reached on the most important objective of the general business course, there was an opportunity to begin to improve other aspects of the course in recent years. A comparison of the content of general business textbooks over the years reveals the switch in emphasis to studying topics from an economic point of view rather than from a skills development point of view. Teaching methods and student activities were also influenced. Instead of teaching facts and spending time developing skill in preparing business forms, innovative approaches to teaching economic concepts and understandings became the concern of the good general business teachers. In the classrooms of these teachers, students spent little or no time on activities such as telephoning, writing checks, planning travel itineraries, and other busywork. Student involvement and relevance of content were key words of the seventies. Most general business teachers responded by developing student-centered rather than teacher-centered activities. The use of role playing, games, and other simulation activities became a part of the teaching strategies used in the course. Emphasis was put on the use of teaching methods and learning activities which made students active rather than passive learners.

The rapid increase in the technology and amount of instructional materials available for use by general business teachers and some basic changes in the organizational structure of the secondary school curriculum between 1960 and 1980 also influenced basic changes in the teaching and learning activities which were used. The introduction of the overhead projector, closed circuit TV, and videotape plus the improvement in audio media provided by the use of magnetic tape afforded teachers and students a variety of readily available, easy-to-use technology. Both the quantity and quality of films, filmstrips, and other audiovisual teaching aids increased considerably during this period. Likewise the quantity and quality of print

materials increased dramatically as government agencies, business firms, a variety of small publishers, and special interest groups of all kinds used the improved print capabilities available during this era to literally flood the market with publications ranging from one-page leaflets to multiple-page booklets. Many of these printed materials were slick, eye-catching publications designed to promote a particular position or belief. Such materials had to be used carefully, especially with young persons, but were valuable means of comparing different views on issues and provided an opportunity for students to learn to look for bias in print materials. It must also be recalled that many secondary schools flirted with basic changes in the structure of their school year, the school day, grouping of students, and so on during the past 20 years. Modular or flexible scheduling, mini courses, quarters and trimesters, small groups and large groups, structured and unstructured times, mainstreaming, and many other terms were buzz words of the period. In schools which used some or all of the innovations in scheduling and other areas, the general business course had to be designed to fit the schedule, of course. Thus, some students used learning activity packages, others progressed individually, while still others worked under contracts, all under attempts to individualize the instruction and learning activities to better meet the individual needs of students.

It would not be appropriate to omit from a historical review of this course the proposal for consolidating all secondary school basic business courses into a standard, two-course sequence. A review of the literature indicates that this proposal to offer a general business course at grades 9 or 10 and an advanced basic business course at grades 11 or 12 has been around in one form or another for over 40 years. Under most of the proposals, the general business course would be an introductory course which would be required of all students wishing to complete other business courses but open to all students on an elective basis. The course would provide basic instruction related to economic concepts and our economic system, the role and structure of business and government in our society, and the role and responsibility of consumers, workers, and citizens in our private enterprise economy. Upon completion of such a course, students would possess the basic knowledge and understanding required for an advanced course. Such a course would focus on general areas such as law, business principles, economics, and consumer education or would examine various topics such as insurance and taxes or general economic problems and issues such as inflation and unemployment. While studying the specific topics or issues, students would be required to use legal and economic principles as well as decision-making skills to arrive at a conclusion after completing an analysis of the topic or issue.

In theory the two-course sequence has always appeared to be sound. Indeed, two-thirds of the leaders in business education responding to a 1960 poll recommended this approach for the basic business curriculum. It is difficult, however, to find evidence that such a program was ever offered as successfully as the literature promised. Only a few schools developed the two-course sequence, and those that did so did not retain the structure very

long. One of the major reasons for this lack of development of what appears to be a good idea may be the changes in curriculum structure discussed previously. As the idea was usually proposed, it consisted of two courses, each one year in length. As noted above, during the sixties and seventies there was a move away from one-year courses. This move was accompanied by the development of independent semester or shorter courses which could stand alone rather than be dependent upon the students' completing one or more prerequisite courses. It seems that the switch to more flexible scheduling and shorter courses probably prevented the two-course sequence from succeeding. Perhaps the idea will return as secondary schools swing back to more structured schedules in the eighties.

GENERAL BUSINESS IN THE EIGHTIES

In the final section of the background review above, it was pointed out that there was almost unanimous agreement between 1960 and 1980 that the major objective of the general business course is to develop economic literacy. This is still true in 1982. One is relatively safe making such a statement about the current general business course. It is more risky trying to make the other generalizations about the course which are presented in the following sections. There is, for example, strong agreement on the need for the course based on the need for economic education. However, there is no indication of support for the need for the course as an introductory course for all business students. Likewise, not everyone will agree with all the statements included in the other sections on objectives, content, instructional materials, and unique teaching strategies. However, the content of those sections is representative of information presented by national leaders in the field in the most current periodicals and general business textbooks.

Need for general business course in the eighties. If one accepts the development of economic literacy as the major objective of general business, it is relatively easy to develop a rationale for the need for such a course. There has been a need for economic literacy by all people in all societies throughout history. The basic economic problem—how to allocate relatively limited resources to achieve the best possible satisfaction of unlimited wants—has been present for all time. This is what economics is all about; this forms the basis for the study of economics; this basic problem will also be faced by all future societies.

While economic literacy is desirable for all persons, it is especially important for people in the United States. Persons living in our society are provided an opportunity to make relatively free and independent judgments when making personal and social economic decisions. This opportunity and the accompanying responsibility for making wise decisions, is not present in societies where central planning groups or hierarchies make major economic decisions by command or tradition. If we do not develop economic literacy among all of our citizens, the individual and group decisions related to economic issues will not bring optimum satisfaction of our needs. The major purpose of the schools in our nation is to prepare young people for the activities and decisions of life. Therefore, the schools are responsible for

developing economic literacy in all our youth. At the secondary level, the general education or basic business component of the business education curiculum can contribute to achieving this goal. Since the major objective of general business is to develop economic literacy, it can and should be promoted as a course that will make a major contribution to the general education of all secondary students by providing them with meaningful learning experiences which will assist them to understand, accept, and perform their roles as individual and group decision makers in our private enterprise economy.

Since there is little if any argument against the need for preparing our citizens to make wise economic decisions if we hope to maintain our private enterprise system, one should be able to assume that this has been a major goal and accomplishment of our school system. Unfortunately, this has not been the case. Whether or not developing economic literacy has been a major goal, the results have been far from satisfactory. In fact, they have been dismal. The relatively high level of functional and economic illiteracy of our nation's citizens has been documented by a variety of sources ranging from small-scale master's studies to sophisticated, national research studies conducted by Gallup and organizations such as the Joint Council on Economic Education, the Advertising Council, and Opinion Research Corporation. The educational research which has been conducted to determine the effect of attempts to improve the level of economic literacy through classroom instruction in general business and other courses has indicated that such activity produces positive results overall. Thus, the inclusion of a general business course in the secondary school curriculum can and should be promoted as one means of improving the level of economic literacy possessed by secondary students.

Today the basic business curriculum in most areas of the nation has been splintered into an almost endless array of courses offered for different lengths of time, consisting of diverse content, and bearing titles designed to attract students rather than even remotely describe what might be in the course. As previously stated, there has been support over the years for establishing a two-course sequence to consolidate the various content areas of the basic business curriculum. The idea seems to have merit, but it would be almost impossible to successfully offer a one-year course at this time. However, it does seem possible to fulfill one of the basic intents of the original idea with an introductory course of less than one year, a course developed to fit the standard length of time used by each school system where it was to be offered. Development of such a course and establishing it as a required course for all business students and as an elective for others would be a first step toward achieving some semblance of structure in this curriculum area. The current general business course or an adaptation of such a course would be a most likely prospect for achieving the goals identified for a required introductory course. The goals of such a course would probably be related to developing a minimal level of understanding about the functions and role of business in our society as well as a level of economic literacy required for making effective individual and group decisions in a

private enterprise economy. The general business course can and should be promoted as a basic, introductory course for all business students.

Objectives of general business course in the eighties. The first step in developing or describing a course is always to identify the overall objectives of the course or the student competencies which are to be achieved. As noted throughout this chapter, the pervasive objective of the general business course can be described as the development of economic literacy so that students will be responsible in exercising the opportunities to make relatively free economic decisions in our private enterprise economy. Since a major part of economic literacy also includes the ability to make rational decisions, another pervasive objective of the general business course of the eighties is the development of the skills and knowledge required to analyze a situation or issue and make a rational, unemotional decision.

The more specific objectives of the general business course may vary from school to school depending on what other basic business courses are offered and what courses are being offered by other departments in the school. The more specific objectives may also vary from year to year based on current happenings and changes in the economy. The objectives may be stated very behaviorally, which creates a long list; or they may be stated more generally with more specific objectives assumed under each of the broader statements. Based on a review of current textbooks and other literature related to the course, the 10 objectives identified below appear to be the most important for the general business course in the eighties. No attempt has been made to create a priority ranking; the objectives are randomly listed:

After successful completion of a general business course, a student should be able to:

- Identify and describe the major purpose of an economic system, determine the specific questions an economic system must answer, and compare and contrast the principal features of a market, centralized, and mixed economy
- Identify and describe the basic characteristics and functions of the private enterprise economy of the United States
- Describe the role of business, government, and human resources in our private enterprise economy and explain the interdependence among the three sectors
- Describe and evaluate the ways an individual can contribute to our private enterprise economy in the roles of producer, consumer, and citizen
- Identify the reasons and develop a plan for efficient use of money resources by individuals, business firms, and units of government
- Identify the risks against which persons most commonly need protection and explain how risk sharing provides a means of protection
- Describe how banks, credit, and other financial institutions affect individuals, business firms, units of government, and economy as a whole
- Describe the role of savings and investments in our private enterprise economy and identify ways and places for saving and investing
- Identify the rights and responsibilities of consumers, and sources and uses of consumer information and protection

- Describe the need for a careful career choice, a general career area of interest as well as the preparation required for it, and the steps to be completed to find a job.

More specific objectives may be found at the beginning of units or chapters in most of the current general business textbooks. Although there may be variation in the wording and each textbook may include one or more additional general objectives, the 10 listed above were present in all texts reviewed.

Content of general business course in the eighties. As is true for the objectives, the content of a general business course will vary depending upon the unique situation in which the course is to be offered. The content or topics to be included in a course are generally easy to identify once the objectives have been selected. Only topics or content areas that will lead directly to achieving the identified objectives are included. It is also true, as was the case for objectives, that current textbooks are usually the best guide for deciding what content is actually being covered in general business. Although the content of the course offered at any school may vary because of the length of the course, the unique curriculum of the school, the unique needs and age levels of the students enrolled, the preferences of the teacher, the textbook or other print materials which are available, and a number of other factors, the following list of content topics is representative of the topics which are included in general business courses in the early 1980's. Again, no attempt has been made to prepare a priority ranking. The topics are listed in the general order presented in one textbook, but the outline is not an exact outline from any of the current texts:

The Private Enterprise Economy

The Nature of Economics and Economic Systems
Our Private Enterprise Economy (Features, Performance, Problems)
The Nature of Business
Production and Marketing in Business
Government in Our Economy

Money, Banking, and Consumer Credit

The Purpose of Money
Banking and Bank Services
Getting and Using Credit

Consumer Decision Making and Money Management

The Consumer in Our Economy, Making Consumer Decisions
Consumer Spending in the Marketplace
Sources of Consumer Information
Protecting Consumer Rights

Building Financial Security

Protecting Against Economic Loss
Insurance (Auto, Life, Health, Property, Income Security)
Saving and Investing

Planning Your Career

Careers and Your Career Potential (Preparing for a Career)
Finding and Keeping a Job
Labor Unions and Collective Bargaining

The typical general business textbook contains approximately 50 small chapters or parts which can be consolidated into 15-20 general topic areas. Again, the terminology may not be exactly the same, but all the topics included above were found in one form or another in all the general business textbooks reviewed.

Instructional materials for general business course in the eighties. As implied by references to textbooks in the two previous sections, the general business textbook is still the most valuable resource for teachers of this course. Although there are some instances of the course being offered without the use of a textbook or some basic printed publication which serves as a common source of information for students and the teacher, such a situation is certainly the exception. One of the important advantages of using a textbook is that it provides a guide for the course and a base of information which everyone involved can read and study as best fits her or his individual needs. Dynamic general business teachers use the textbook as a guide but find innovative and interesting ways in which to expand the content to include current local, national, or international happenings of interest to the students involved. The textbook and any other materials included in a teaching-learning package, such as learning activity guides or workbooks and tests, have usually been field tested with students in courses similar to those for which they are designed.

Another important advantage of using a textbook is the fact that the teacher is usually provided with an accompanying teachers manual or guide. These manuals or guides are tremendous helps to any teacher—veteran or rookie. A good manual or guide will provide general information about the course, suggested ways of presenting material, methods of evaluating students, suggested scheduling of classroom time, research related to various aspects of the course, and a guide to additional sources of information to supplement the textbook-learning package. In addition, the manuals usually provide specific objectives and teaching strategies for each part or chapter, suggested responses to questions from the text, masters for overhead transparencies, and answers for any student activity guides, workbooks, or tests which are part of the overall package. In essence, the teachers manual or guide provides a wealth of information to help the harried classroom teacher of general business.

No one who teaches a general business course in the 1980's should suffer from a lack of current supplementary resource material. As stated earlier, the problem in this regard is one of having to select from an over-abundance of resources. The variety of materials and sources involved makes it impossible to attempt to prepare a meaningful list in the limited space available. There are print materials of varying lengths, shapes, sizes, and formats available on every topic included in the content outline suggested in the previous section. There are audio and visual materials available for

these topic areas as well. The sources of the materials are as diverse as the materials themselves: The U.S. Government Printing Office, the American Bankers Association, Sears Roebuck and Company, the Educational Service Bureau of Dow Jones, Changing Times Educational Service, the AFL-CIO, and the U.S. Chamber of Commerce are examples of large, well-known associations, firms, or publishers who provide free and inexpensive supplementary materials related to the content of general business. In addition, such materials can be purchased from many private publishers large and small located throughout the nation.

The best sources of information and addresses for checking on supplementary materials are probably the teachers manuals or guides provided by the textbook publishers, teaching methods texts and materials available from well-known business education publishers, lists of resources provided in the current literature or at the end of various resources one currently possesses, and other teachers in the field.

The use of supplementary resource materials in the general business course is helpful in creating a stimulating learning environment and providing variety to the daily routine. However, the teacher must carefully evaluate the materials for such things as accuracy of information, appropriate reading level, objectivity, racial or sexual bias, and cost before using them in the classroom. Each teacher or group of teachers will need to develop a scheme for completing such an evaluation. Helpful suggestions and examples of checklists designed to accomplish this task are provided in several teaching methods textbooks.

Unique teaching strategies for general business course in the eighties. An effective teaching-learning system consists of a variety of elements which combine to provide appropriate and useful information to students, a classroom environment that is conducive to learning, and teaching methods that are creative as well as suitable for the students involved. One of the major factors to consider when using a teaching strategy is the composition of the student group involved. Ability levels, backgrounds, maturity levels, interests, and experiences of students vary from group to group as well as within each group. Effective general business teachers quickly assess the groups of students with whom they work to determine what teaching strategies best fit each group. A second major factor to be considered is, of course, the teacher's general teaching style. Some teachers feel more comfortable with certain teaching methods than with others. Although teachers cannot rely solely on one or two basic teaching strategies, they should probably use the strategy with which they are most effective and comfortable the greatest portion of the time. General business teachers who try a variety of teaching methods and become skillful at several of them have an advantage over those who have a limited number of teaching strategies they can use comfortably. Dynamic, effective general business teachers search for the right mix of teaching strategies to provide a variety of different ways for their students to learn.

The familiar teaching strategies which have been used in general business courses over the years are still present—lectures, discussion,

debates, committees, role playing, field trips, guest speakers, case problems, current events, notebooks, class projects, and the use of bulletin boards and other audiovisual aids. However, there are some relatively new techniques such as gaming and simulations and the role playing connected with such activities which appear to be very popular in the 1980's. Most exercises and activities which use economic behavior are combinations of games and simulations and are called simulation-games. A simulation-game has been defined as a combination of games and simulations that tries to use the role-playing features of simulations for learning how a system operates and the competitive nature of games to enhance student motivation.

Simulation-games are usually not effective when used in isolation; they should be used in conjunction with other activities in a carefully planned curriculum unit. General business teachers have found that the use of simulation-games requires as much or more teacher preparation time as do most other teaching techniques, a change in the teacher's classroom role, careful organization, and clear instructional objectives. As is true with all teaching strategies, teacher preparation and enthusiasm are probably the most important elements in assuring success of a simulation-game. The teacher has many roles and responsibilities while the activity is being completed. She or he must circulate among the students during the activity—observing, listening to negotiations, offering suggestions when appropriate, and providing encouragement. The organization of time, the movement from round to round, and insistence on behavior consistent with the rules of the game are very important in most simulation-games. Some students consider such activities as synonymous with "having fun." The teacher must be prepared to pay attention to the procedural details of the activity and to link the "fun" with education. Finally, the teacher using a simulation-game must conduct a review or debriefing session at the end. Such sessions are crucial to the use of any game or simulation. During this time participants reflect upon and draw conclusions from their experience in the activity. They attempt to answer questions such as: What strategies were used? Which strategies were most successful in accomplishing the goal of the activity? What conclusions can be made concerning the operation of this system in real life? Was the activity realistic? What experiences have they had or observed to support their opinions related to the reality of the activity?

While it is true that simulation-games are becoming one of the most popular teaching strategies among effective general business teachers, it is also true that there are several disadvantages connected with the use of such activities:

All games and simulations are necessarily distortions of reality—usually because of oversimplification. It is impossible to simulate fully and accurately an entire economy, system, or problem. Many of the complexities and variables are simplified or eliminated in simulation-games.

Use of simulation-games usually increases the noise and activity levels in the classroom.

Some simulation-games require participants to spend a great deal of time recording and calculating results of activities. Access to a computer may help in this task, but it may also create additional logistical problems.

Some students will adopt a cynical attitude, not take the activity seriously, question its usefulness, and prefer not to participate.

Use of simulation-games may require more teacher preparation time than other teaching strategies and may require a major change in the teacher's classroom role.

General business teachers, being skilled in the ways of economics, surely would not be moving toward increased use of simulation-games if the disadvantages outweighed the advantages of this teaching-learning strategy. There are, therefore, a number of advantages to the use of simulation-games. Although there may be more, the following are some which have been listed in the recent literature:

Simulation-games provide students an opportunity to experience things that might otherwise remain beyond their imagination.

Simulation-games provide students an opportunity to practice skills in a relatively safe environment—without undue pressure or embarassment.

Simulation-games allow students to learn at least as much or more factual content and to develop various intellectual skills (problem solving, transfer of learning, planning techniques) to at least as high a level as they do when more traditional teaching methods are used.

Simulation-games increase the probability of changing the attitude (affective learning) of students, although many of these attitude changes are not long-lasting or permanent.

Simulation-games provide motivation for students of all ability levels to become involved in classroom activity.

Summarizing the discussion of the use of simulation-games, it could be said that the value and effectiveness of such activities are determined primarily by the correct use of good materials in appropriate learning situations. Further, simulation-games can be an extremely useful and interesting part of the teaching-learning experience; however, they are only effective as part of a total plan and with other support—other materials, other activities, other media, and a well-prepared teacher.

THE FUTURE OF GENERAL BUSINESS

Although general business has had a positive impact on basic business overall, there are some who feel it has only made a contribution to the overall area in recent times. Those who feel this way believe that the course has only had a major impact since it was agreed that the major objective should be the development of economic literacy. Whether this feeling is true or not is difficult to determine. What is more important is that those working in the area continue to agree that the major objective of the course is to be the development of economic literacy so that focus on achieving that objective can continue to be the thread which weaves the objectives, content, instructional materials, teaching techniques, and other aspects into a strong, cohesive general business course during the 1980's.

PART III

REVITALIZING BASIC BUSINESS THROUGH INSTRUCTIONAL STRATEGIES

CHAPTER 9

Methods and Materials for Revitalizing Basic Business

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The basic business courses should be viewed as courses in which students learn about our economic society and how it works to use limited resources to satisfy unlimited wants, and how individuals fit into that economic society. How does an individual as a consumer, producer, and citizen make choices about the use of his/her limited resources to satisfy his/her unlimited wants? If the courses are seen as having these two focuses, then the methods and materials selected for teaching and learning can be matched to the goals identified for each course.

A taxonomy of educational objectives provides a basis for determining the types of methods and materials that can be used effectively. Bloom identified six levels of cognitive learning: knowledge, comprehension, application, analysis, synthesis, and evaluation.[1] Although it may be difficult for a classroom teacher to include activities for all six cognitive levels in a lesson, an effort should be made to include all six levels as a part of the course goals. Too much emphasis on the lower levels will lead to rote learning, a lack of interest on the part of the students, and even boredom for the teacher. What methods and materials can be fitted to the various cognitive levels? What mixtures can be fitted into each class period to meet the objectives of the lesson and to enhance learning? The methods and materials discussed in this chapter are primarily concerned with the higher cognitive levels of Bloom's taxonomy. In addition, they focus on the affective domain—activities in which students identify an attitude, opinion, or value important to their knowledge of our economic system and their roles in it.

Basic business courses should have a major focus on decision making. Our whole economic system is based on the concept that the combination of unlimited wants and limited resources requires rational choice-making among alternatives. In fact, the study of our system might be defined as the way in which the system, faced with unlimited wants and limited resources, makes rational choices among the alternatives available for the use of those scarce resources. Scarcity is a fact of life, both for the economic system and for

[1] Bloom, Benjamin S., and others. *Taxonomy of Educational Objectives, the Classification of Educational Goals. Handbook I: Cognitive Domain.* New York: David McKay Co., 1956.

individuals. The basic business courses should teach students to cope with scarcity, to learn the process of decision making.

The courses have evolved over the past 40 or 50 years from courses that have not always focused on the goal of economic understanding. The basic business courses of today must have that focus. An overemphasis on any one type of method or technique to the exclusion of those that contribute more to economic understanding is a mistake. Computations, for example, are important in understanding credit, banking, and the impact of taxes, but if students spend an inordinate amount of time doing arithmetic problems on those topics, the activity does not allow them to deal sufficiently with economic understandings vital to those topics. A balance of methods and materials is necessary—and always this criterion must be employed: Does this method or material contribute to economic understanding?

Instructional strategies for basic business courses can provide a number of means of arousing student interest and promoting student learning. The wide range of strategies that can be applied in a basic business class can strengthen the preparation of a teacher who already has a solid foundation in the content of the course. That solid foundation is a prerequisite to the successful use of teaching strategies for basic business. Two requisites for a vital presentation and teaching-learning structure are (1) a well-prepared teacher with mastery of the subject content and (2) a textbook suited to the students' interest levels and ranges of abilities.

When discussing methods for teaching basic business, teachers probably first consider the materials available. The textbook, the primary source of information, is a guide to content, structure, and methods. It is only a guide; it cannot provide all of the information that may be included in a well-taught basic business course. Basic business courses should include content on the current economic environment and future encounters with that economic system by students. What do they need to function well now and later as producers, consumers, and citizens? Of all the skills and knowledges they will need, what can basic business courses best furnish? The answers to these two questions should lead a teacher to consider the local community and the current economic situation. What resources can the local community provide that will lend authenticity to the content of the courses? What current events should be included as part of the content? With careful selection of these topics, a teacher can supplement the content of the textbook and can make the course more relevant. Students will see that the course is important—that it has meaning for them individually and is not to be viewed as a mere exercise in learning.

Every person in our economic system makes economic decisions that have far-reaching effects. As consumers, producers or workers, and citizens, everyone affects the economy. Decisions about consumer alternatives cause economic choices about how our scarce resources will be used. As producers and workers, participants in our economic system determine how efficiently those resources will be used and what the costs of at least some of the factors of production will be. As citizens, individuals vote to decide issues

that affect the economy. All of these roles involve selection among alternatives—decision making. An integral part of every basic business course should be attention to the decision-making process. What steps are followed in making a rational decision? How can teachers help students and themselves apply the decision-making process efficiently? How do all aspects of our economic system apply that process? What alternatives are available in all areas of study of our economic system?

Decision-making skills must be taught. Students need help in considering all aspects of a problem and making an informed decision. If a teacher accepts decision making as a basic part of the teaching methods of the courses, the higher levels of learning must be objectives of the course. Analysis, synthesis, and evaluation are necessary for arriving at rational decisions. Such an approach to teaching means that ample opportunity for making decisions is built into the course content. The teacher must plan for decision-making activities and provide materials for them.

With the above rationale for the methods and materials that are to be employed, the teacher next must consider which methods and materials can be fitted to various objectives. Which methods and materials lend themselves to cognitive learning? Which are suited to affective learning? Some are applicable to both types of learning. How can they be used to achieve those goals?

METHODS AND MATERIALS SUITED TO COGNITIVE LEVELS

Much of the content of basic business courses, particularly introductory courses like general business, is new to students. They have a large number of new vocabulary words to learn, many concepts are new to them, and they do not have the background for higher cognitive levels of learning in the subject matter. Traditional methods of teaching, in which the teacher is the focal point, have a place in basic business courses. Lecture, question-and-answer, and discussion sessions can provide the background in concepts that will be needed for higher cognitive levels. Such techniques can be effective. They often are the most efficient way of providing information needed for moving to the higher levels. Sometimes teachers fail to use some of the resources available for supplementing traditional methods. Audiovisual aids, such as overhead projectors, opaque projectors, filmstrips and films, slides, bulletin boards, and posters, can be used to supplement methods. They can make the learning of basic concepts more interesting and more effective. They employ more senses, and thus they enhance learning and retention.

Textbook assignments. Textbook assignments should always be selected with one aim in mind: to help the student to apply what he/she has read and studied to this point. Never should a textbook assignment be busywork. The end-of-chapter activities and workbook activities are designed to provide a variety of reinforcement materials. The teacher, based on knowledge of the particular group of students studying the textbook, should select from among all of the activities provided. Only those activities that fit the students' needs best should be selected. That selection process is

important; only if selective assignments are made do the activities fit the students. Textbook authors and editors cannot provide a composite of activities that match the needs of all groups of students. Instead, they attempt to provide a set of activities that meet a variety of needs so that the teacher can select the best ones for a class.

Creative use of the textbook materials is a responsibility of the teacher. Text content and activities can be adapted, revised, improvised, and supplemented in ways that are limited only by the teacher's creativity. Much of the value of a textbook comes from the teacher's judicious, informed use of its contents.

Learning activity packets. Learning activity packets are a "road map" to students. In a basic business course, a packet may be written by the classroom teacher or may be purchased in prepared form. The packet includes a set of steps to be followed by the students, behavioral objectives to be met in the activities, a pretest and/or prerequisites, resources needed, a checklist of activities for the student, the learning activities to be completed, and an evaluation to measure achievement of the behavioral objectives.

This set of materials provides an opportunity for a student to work more independently. With the packet as a learning aid, a student can be more self-directed, and yet can check with a teacher at the checkpoints included in the packet. The teacher can evaluate progress, recycle the student through activities, and/or guide the student to added materials or activities. Each step in a learning activity packet requires activity by the student. For students with learning difficulties, a teacher may be able to provide tape-recorded materials to help students use audio as a medium for learning. Even test items can be recorded for those who have reading or comprehension difficulties.

Learning activity packets do not replace the teacher. They should not lessen the personal contact between teacher and student necessarily. They are merely another way of employing methods and materials in an efficient way for learning. As such, they are a tool that can be wisely used to add variety and interest and alternative ways of learning.

Audiovisual materials. Films, filmstrips, slides, transparencies, and other audiovisual materials have long been used in basic business courses. A number of business organizations provide films, filmstrips, and transparencies on various economic topics. Two film series available through educational television networks that are beneficial in presenting economic issues are *The Age of Uncertainty*, narrated by John Kenneth Galbraith, and *Free To Choose*, narrated by Milton Friedman, two leading economists who adhere to differing points of view on many economic issues. Other films financed by business firms are available through film and filmstrip distributors for education.

Although they are a common means of supplementing classroom activities, audiovisual aids can often be used in more creative and stimulating ways. Teachers can find new ways of using them to meet their objectives for a class. Used well, they can add both interest and new content to the class

discussions. As the quality of the materials provided has improved, such materials have a great deal of value in making a course vital and interesting.

Graphs and charts, although not often categorized as audiovisual aids, are really just that. They appear regularly in economic education materials. Students may be wary of them, doubting that they can read the charts or figure out the graphs correctly. A part of the orientation to a course in the basic business area should be an introduction to the most-used types of charts, some practice in reading them, and enough additional activity to help students to feel comfortable with them. Pie graphs, bar graphs, and line graphs can be simplified until the students learn to read them well. Charts and graphs from current periodicals and newspapers can be used as supplementary materials. If they can use these means of depicting information for consumers, students will be able to read much of the material outside the textbook more meaningfully.

Field trips. Students will have more understanding of the components of our economic system if they have an opportunity to observe a production, distribution, or service facility firsthand. Field trips into the local community are a good source of illustrations for textbook content and class activities. Arranging the trip requires a great deal of planning and organization. Always it should be preceded by a discussion or orientation to give structure to the trip. Students must not have the idea that the trip is "time off." They should understand that certain objectives are identified for the trip, they have responsibilities for meeting those objectives, and they are accountable for specified types of learning from the experience. Follow-up activities should identify specific points about the trip and reinforce their learning. The economic debriefing session that follows a field trip should identify the concepts learned. What resources were employed? Where does the firm obtain those resources? Where does it fit into the local community? On what other firms does it depend? How does it relate to other businesses? What effect does it have on the local economy? the regional economy? the national economy? How far beyond the local community does it impact? Such questions push students to think beyond the shallow questions that could follow such an experience where no attention has been given to orientation and follow-up.

Computer-assisted instructional methods and materials. The advent of microcomputers into the school system is an opportunity that basic business teachers must not miss. Other departments of the school are making use of the computer for learning. Business teachers must not fall behind and lose the advantage that knowledge of computers and their uses can bring them. Particularly for the lower cognitive levels, computer programs can provide an interesting, effective way for students to learn through tutorial materials. If a goal for a course is to learn some basic vocabulary, for example, computer-assisted instruction (CAI) can provide a vehicle for students to interact with the computer in learning those terms. Even though the learning is at the lower cognitive levels, it is a necessary type of learning. Only when students know basic terms and concepts can they build on their learning to higher levels. Interacting with the computer, with the opportunity

to repeat an exercise as many times as necessary for mastery, is more interesting and less embarrassing than being drilled in a large-group setting.

Simulation programs, computer-assisted instructional packages, and computer-managed instruction (CMI) can be used. Simulations can provide a gamelike format for learning that makes it fun—and yet effective. Economic concepts are the foundation for such exercises, if the materials are well planned and are learning materials, not just games. In a linear or branching format, CAI packages can lead students through a series of questions, applications, or evaluations, check their responses, and redirect them in one of several directions, depending on their understanding and demonstration of their learning. CAI packages can be written by the classroom teacher and individualized to any extent desired. If a general business teacher wishes to provide a program on the basic concept of limited resources and unlimited wants, the teacher may write a program that asks for students' responses to questions about a typical consumer's income, expenditures, and savings. The program can respond to students' answers with personalized comments. If Karen is asked to complete an exercise, the program can ask her to provide her name at the beginning of the session. As she responds to questions, the program can provide for responses from the computer such as "Good, Karen, you answered that one correctly. Now let's try another." Personal touches such as this one can make learning more interesting. Reinforcement learning and remedial learning can be less tedious than they would be through other methods.

Acquiring enough microcomputers to provide the needed resources for a classroom of students is, of course, a problem to many teachers. Still, the use of one computer can add interest. Demonstrations by the teacher or a single student add to the learning experience. CAI packages or simulations can be completed by small groups of students, which makes it possible to use the computer, even to a limited extent, as an effective aid to learning.

Capitalizing on student interest is the key. The microcomputer is fascinating to most students, partly because it is new and partly because it seems to be able to do things that dazzle our thinking. Why not take advantage of that built-in interest to whatever extent possible in teaching basic business? Recycling students through learning activities with the aid of a CAI package is less time-consuming for the teacher than trying to provide all of the instruction for remedial work orally. Packages can be programmed for review work, providing a set of activities from which students can select according to their performance on previous activities. In that way, the teacher can use the computer as an aid, students can receive the reinforcement they need, and it is less cumbersome than if done entirely through student-teacher interaction, in many cases.

One precaution about computers is in order. Computers, like all other types of teaching machines that have been devised, cannot replace people. Students still want and need personal interaction with teachers and other students, particularly in the basic business courses which have as one of their goals the development of social interaction skills. Computers are only a tool. The microcomputer, if used wisely, can relieve a teacher of much of

the burden of attempting to provide individualized instruction and to keep up with the individual student's progress. At the same time, it can provide an alternate form of learning that sometimes helps a student to repeat work without boredom. It is not a panacea, but it is a tool worth considering and using in the basic business subjects. As more and more microcomputers become available within school systems, and as more consumers have them in their homes, basic business teachers can capitalize on the interest they add to a basic business class. Teachers cannot afford to ignore them; they will not "go away."

Teachers can use CAI programs to help students learn or reinforce the learning of terminology, practice computations common in business, review concepts through a test procedure, or practice problem-solving through problem situations presented through the computer. Even though applications are not new methods for teaching, a well-written CAI program that includes them can be interesting. If a goal is the correct computation of the checkbook balance at the end of a month, the CAI program might contain prompts and personalized messages. Suppose the correct response for the balance is $219.39. The program could lead the student through a series of steps in arriving at that balance by subtracting unrecorded checks and withdrawals, adding unrecorded deposits, and subtracting service charges, as well as any other steps needed for a particular problem. The problem might present the student with the following adjustments to be made: One unrecorded deposit of $10 is to be added, a service charge of $3.50 is to be deducted, and an unrecorded check for $19.95 is to be subtracted. The program could provide responses to the student's answer similar to these:

Student Response for Checkbook Balance	Microcomputer Response
$219.39	That's good, Karen. Your checkbook is right on course with the bank now!
209.39	Karen, did you forget to add the deposit of $10 on May 10? Go back to the beginning and refigure your balance—and don't forget that deposit.
222.89	The bank won't do all of this work for you for free, Karen, so it wants $3.50 for its services. Did you remember to subtract the service charge? Try the problem again.
239.24	Did you remember the check that was not written down in your checkbook? Go back to the beginning of your computations and be sure to record that check.

Such responses require careful programming in the package to be sure that possible responses from students are anticipated. However, not all possible answers that might appear must be analyzed. The package may just instruct students to repeat the procedures and recheck their figures the next time through. The individuality of CAI packages written by the teacher for a particular group of students is limited only by the teacher's creativity and initiative—and time allocations for such projects. Because many commercially provided packages do not fit the needs of basic business students, and

relatively few are available yet, teacher-prepared packages may be more satisfactory; but they do require time and care in preparation.

METHODS AND MATERIALS PRIMARILY FOR AFFECTIVE LEARNING

The affective objectives identified by Krathwohl and others include receiving, responding, valuing, organization, and characterization by a set of values.[2] The basic business courses include an important component as they address the economic concepts and issues of our system that are not cognitive learning. Part of the process of learning includes identifying issues, taking a stand, recognizing different attitudes and valuing the rights of others to differ, and organizing a set of beliefs to guide an individual's economic experiences. Some methods and materials for teaching are particularly suited to the affective domain.

Values clarification activities. Values clarifications activities can be adapted to basic business classes and used as a means of emphasizing the values inherent in economic activities and individuals' participation in those activities. Some activities involve more application of cognitive skills than others. Those values clarification activities probably lend themselves more to basic business classes. For example, students can be asked to rank order alternatives according to their own preferences. Discussion of their choices can help them to see that choice making is a vital part of the decision making in any economic system. If students are asked to rank order their priorities for tax dollars, economic problems in our cities, domestic issues in our country, or threats to our economic system, follow-up discussions will clarify the issues. If students differ in their opinions of the seriousness of problems, the importance of issues, or priorities for funds, they can better understand the dilemma our decision makers face as they attempt to decide the best use of tax dollars at various levels of government.

Values clarification exercises are applicable to a number of content areas in basic business, but they are particularly valuable in helping students understand the concepts of scarcity, choice making, opportunity costs, and the consequences of all types of decisions, all a part of the decision-making process. As a tool for teaching and learning, values clarification activities can help students to move to the higher levels in the taxonomy of learning—to evaluating the consequences of their decisions and identifying the values system they use.

Role playing, case problems, and simulations. Since a vital part of the basic business curriculum is the development of decision-making skills, teachers search for ways to provide problem-solving experience. Students should learn how to cope with decisions they face as consumers, producers or workers, and citizens. Three methods that aid development of decision-making skills are role playing, case problems, and simulations. They require a student to be involved and active.

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[2]Krathwohl, David R., Bloom, Benjamin S., and Masia, B. B. *Taxonomy of Educational Objectives, the Classification of Educational Goals. Handbook II: Affective Domain.* New York: David McKay Co., 1964.

Role playing allows students to put themselves, as much as possible, into a position like real life. Skits can be written and acted by the students in the classroom to add variety and interest. Through role playing, students can be led in solving a problem and arriving at a conclusion, just as they will have to do in real life. Follow-up discussion can help them to see all aspects of the concepts presented in the role-playing situation.

Case problems, too, can simulate real-life problems. They may be short, focusing on one specific aspect, or they can be more involved and require students to spend a considerable amount of time with the decision-making process. At various points a teacher can add information to force students to rethink their positions, make additional decisions, and consider more alternatives. As in other activities that allow students to apply their own ideas to the course content, the case problem should be followed by an economic debriefing to be sure all pertinent points have been covered and that students are aware of the results of the procedure and can predict some consequences of their decisions.

Simulations can be developed by a teacher, and commercially prepared simulations are available from a number of sources. With a simulation, a group of students can be placed in situations as close to real life as possible. Through the processes of the simulation, they arrive at some point of evaluation. Simulations are sometimes called "games" but if used well, they become more than just a game. An orientation session can introduce students to the concepts to be learned, and a follow-up discussion can summarize all the aspects of the simulation. Some commercially prepared simulations require several days of class time for completion and are quite elaborate in content, concepts, and materials furnished. Simulations are an interesting way to learn and to become acquainted with real-world problems and decisions and issues. Simulations which require the use of a computer may be particularly useful in postsecondary classes and are available commercially.

Opinionnaires. Part of the role of a basic business teacher is identifying the misconceptions, misinformation, and biases that students have. One way to give direction to activities for such a purpose is to devise opinionnaires as an initial activity. Asking students for their opinions will identify areas where there is diversity of opinion, perhaps caused by a lack of information or misinformation. After students have completed the opinionnaire, their responses can be used as discussion points. Because there is no right answer to a question on opinion, students should feel free to discuss their opinions. Items such as these can highlight economic issues worth discussion:

> The government should take the responsibility of seeing that everyone who is willing to work has a job. Agree, disagree, or don't know?
>
> Wages should be set by competition for workers in the marketplace, not by a minimum wage law. Agree, disagree, or don't know?
>
> There is no cost in making some choices. Agree, disagree, or don't know?
>
> Consumers should be taxed on their wealth rather than income. Agree, disagree, or don't know?

There is no such thing as a "good" tax. Agree, disagree, or don't know?

Right-to-work laws will destroy labor unions. Agree, disagree, or don't know?

A small number of items used as an initial activity for a unit of study will allow the teacher to identify discussion points that are needed to acquaint students with both sides of an issue.

METHODS AND MATERIALS FOR EITHER TYPE OF LEARNING

Some of the methods and materials that have been discussed in the above sections could be adapted to either cognitive or affective types of learning activities. However, they seem to fit into the category into which they have been placed here in most cases. Some methods and materials can easily be adapted to either type of learning, cognitive or affective, according to the teacher's structuring of them.

Local business community materials. One of the reasons that the basic business textbook cannot be the entire answer in a class is that communities differ. Even though the major objective of a basic business course is economic understanding, that term is not limited to the national scale only. The local community is a valuable part of the basic business classroom. What better source of economic facts, happenings, and resources? Local business firms are a valuable resource. They can provide materials in the form of pamphlets, filmstrips available through their trade associations, and guest speakers as resources. One precaution must be observed in using local materials. The teacher must have a solid subject-matter content background to be sure items about the local business community are presented correctly. It is easy for students to misinterpret a newscast, a newspaper article, or comments from local businesspeople. The teacher must be sure that economically sound concepts are applied in all methods that employ resources from the local community.

Small-group discussions. Basic business classes are unique among business courses; they offer the best opportunity for student interaction. Discussions can lead students to the highest levels in Bloom's taxonomy—analysis, synthesis, and evaluation. Case problems, role playing, debates, panel discussions, and committee research work force students to apply all they have learned. Small-group work is a good method for allowing students to focus their thinking on a single issue or problem, explore all aspects of it, and arrive at some solution or conclusion. Such work can be merely a "pooling of ignorance" but if properly structured and guided by the teacher, it need not be. Sometimes additional resources beyond the textbook and class notes will be needed to avoid that possibility. As much as possible, resources should be assembled and students should be encouraged to use them to arrive at informed conclusions in their small-group work.

A variation on the small group is the rotating group. This method provides an opportunity for students to be exposed to the thinking of more than one group of their peers. Particularly for brainstorming on a series of questions, the method can force them to assemble their ideas quickly and

efficiently. Initially, students are assigned to groups of four or five to discuss the questions or issues provided. For a given time period, they discuss one segment of the material. At the end of the time period, selected members of the group rotate to the next group. Each group appoints the members to rotate. In a debriefing session, a recorder reports the ideas from each group. The advantage of this method is that the composition of different groups stimulates more ideas than if a single configuration worked on all the assignment as a group.

Like most small-group work, this technique requires structure. The group must be able to organize quickly, decide which members will rotate, which members will be leader and recorder, and how they will proceed to tackle the assignment. Follow-up discussions should cover any misconceptions or biases. The objective of the activity—discussing and identifying issues or solutions to problems—must be set.

REVITALIZING BASIC BUSINESS COURSES

The ideas presented in this chapter are only a few of the many methods and materials that can be used by teachers to revitalize basic business courses. The number is limited only by the ingenuity of basic business teachers who try new techniques, refine them, adapt them to fit groups of students, and create additional ideas for methods and materials. Methods and materials can be used as a source of motivation, interest, and revitalization if they are created or selected carefully and used wisely.

Revitalizing basic business courses has three requisites. First, the teacher must be well prepared. Mastery of the subject-matter content, to the extent that the teacher does not unintentionally teach inaccurate concepts, is vital. Second, the course content must meet the objective of basic business courses: the development of economic understanding. Third, methods and materials must be carefully selected to add interest, reinforce the course content, and illustrate economic content accurately. Perhaps their basic function is to add interest, but presenting correct concepts and terms is imperative. Screening materials carefully before using them and being sure to develop materials and methods so that they present economic content accurately must be done.

The business sector has demonstrated a strong interest in basic business education. A number of business associations and corporations regularly provide funding for education in this area. Many provide materials at little or no charge to schools. In some cases, the materials are written from the viewpoint of the sponsoring organization. Such bias need not deter a teacher from using them. If one of the purposes of basic business courses is to inform students of the issues in our economic system and to help them develop their ability to analyze, synthesize, and evaluate situations and to make decisions, they need not be sheltered from such materials. With the assistance of the teacher, they can pursue both sides of an issue, even in materials that present only one side of an issue.

SUMMARY

With declining enrollments in many school systems, pressure for reducing the number of courses offered can jeopardize the basic business courses. Because of the combination of circumstances in the past few years emphasizing vocational education, career education, and exploratory subjects, the basic business courses have faded into the background of the curriculum in many schools. Too often, business teachers have been willing to substitute a teaching load of other courses for them and have allowed the basic business courses to be relegated to second place. What can be done to revitalize them?

An enthusiastic, well-prepared teacher is vital. Never before has the need for teachers with a sincere desire to prepare themselves well for this area and to select basic business courses been so great. Basic business courses are the foundation of the business curriculum. All students, regardless of their career choices, are citizens, consumers, and producers. All are affected daily by economic forces at work in our system. All can benefit from a well-taught, well-planned, well-placed sequence of basic business courses at the secondary and postsecondary levels.

A second vital ingredient is the course content itself. Is the content relevant, up to date, and worth studying? If so, what can the teacher do to help students apply that worthwhile, up-to-date, relevant course content to their lives? If the course content in a school or system is not adequate, what steps must be taken to make the content worthwhile? Again, teachers are the key factor in revitalization and revamping the course.

The third ingredient that can make a difference in basic business is the way in which the courses are taught. Methods and materials cannot compensate for a poorly prepared teacher or an unsatisfactory course design, but they can reinforce and highlight a good teacher's efforts and a well-designed course. They can help to revitalize basic business at the secondary and the postsecondary level.

CHAPTER 10

Effective Instructional Patterns for Revitalizing Basic Business

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When one looks at the many instructional patterns that have been and are currently being used in basic business education, it is easy to discern that there is little agreement as to how basic business education can best be taught in the secondary school. Some schools offer a basic business or general business course that is available to anyone in the secondary school—from freshman to senior. Some schools offer a basic business course for students at the ninth or tenth grade level; other schools offer a basic business course for students at the junior or senior level. Some schools offer a number of separate basic business courses, such as general business, principles of economics, consumer economics, business law, business organization and management, and economic geography; and students can elect as many of these courses as they can fit into their schedule. Other schools have taken the position that business and economic principles should be integrated into already existing courses and that these principles should be taught by teachers of all courses having business and economic content. Some states have mandated that all students take a half-year course in free enterprise, economics, or consumer economics; and many schools have assumed that any of these courses would provide the business and economic concepts and understandings needed by secondary school students.

Similarly, when one compares the content of the various basic business courses and compares the objectives for which basic business courses are taught, considerable diversity is discovered. Some teachers believe the general business course should be exploratory in nature and introduce students to the kinds of business courses that are offered in the secondary school—typewriting, bookkeeping, shorthand, data processing, word processing, and secretarial and clerical skills and activities. Other schools believe the main thrust of the general business course should be that of vocational guidance. Some of the basic business courses have been offered at the junior and senior level and have been taught from a strictly vocational point of view, while others taught at that level have stressed economic theory or the rote memorization of specific laws or business organization principles. In other courses, classes have used a text, moved through the book covering

a chapter at a time, and demonstrated mastery of the material by passing chapter tests.

As one might suspect, the value to students of these various kinds of basic business courses has been rather diverse. The one thing of which educators can be sure is that the objectives accomplished in basic business courses have been wide-ranging and different. To be able to convince administrators, counselors, students, parents, and other teachers of the need for all secondary students to take basic business courses, business teachers must agree on the objectives of basic business. The objectives to be achieved will obviously have an influence on the curricular pattern used for offering basic business/economic education courses. Once the objectives are established, content can be determined, and a meaningful curricular pattern can be established.

COURSE OBJECTIVES AND CONTENT

Although there may never be complete agreement on what the objectives of basic business education should be, the current trend of thinking seems to identify the following as some of the major objectives: (1) to enable individuals to handle their personal business affairs in an intelligent and effective manner, (2) to aid students in understanding how the American economy works and the advantages and disadvantages of the American economic system as opposed to the economic systems of other countries, (3) to help students appreciate and understand the role of business in the American economy, (4) to enable individuals to become more intelligent consumers of goods and services, and (5) to assist individuals in better exercising their citizenship responsibilities by making more intelligent decisions when resolving issues that are based on economic principles or have economic implications or ramifications.

These objectives indicate that basic business courses should not be exploratory and/or preparatory for the vocational business courses but that basic business should offer to *every student* an understanding of our American economic system and how business activities are transacted in that system. Basic business should provide students with economic and business principles that can be used to reason and for problem solving—both at the personal and societal level. Business and economic problems pervade practically every aspect of every individual's life, regardless of kind of employment or lifestyle. Obviously, students who are prepared with vocational skills but who are lacking in basic knowledge about the economic system and the business world in which they will be working are only partially educated. Their skills could be enhanced by a better understanding of the environment in which they work and apply their skills. The same is true for other individuals who will be living, voting, and consuming within the framework of the American economic system. Participation in the American business and economic system is often inefficient and ineffective. Business and economic literacy would help take the guesswork and embarrassment out of performing the necessary business and economic activities.

Assuming that some agreement can be reached on the objectives for basic business education, the next problem encountered is that of determining the content and learning experiences that will lead to the achievement of the objectives. Perhaps more important is the question of how content should be presented in basic business courses to achieve the desired objectives. Can this best be done by covering a series of chapters in a textbook, such as credit, banking services, insurance, investments, keeping personal records, and other diverse topics, and hoping that the coverage of these topics will lead to the achievement of the desired objectives? Or can the objectives best be achieved by offering a series of courses, such as general business, economic principles, business law, business organization and management, and economic geography? These modes of attack have not been completely successful in the past, and it is doubtful that they will be successful in the future. Isn't it time to try a different procedure?

Obviously, there is nothing wrong with the content that has been mentioned. This content appears in almost all general business or basic business texts, and the course titles mentioned are the ones most commonly associated with the basic business education curriculum. While there is work to be done in clarifying objectives and in identifying and selecting appropriate content, the crucial need is for restructuring the content. The problem is one of determining how all the material presented as basic business content can be related so that students will develop the understandings, appreciations, and attitudes needed to cope more effectively with the economic and business problems they encounter as workers and citizens in our economic setting. Students need to see how various kinds of business and economic problems are related and how the solution to some of the problems create problems and difficulties in other areas. To some extent, students need to develop a *business and economic philosophy*. How can content best be arranged and covered so as to accomplish the desired objectives?

Jones has suggested that, rather than starting with content, basic business courses be built around the principles of money management, the principles of free enterprise, the principles of economics, and the principles of business law and ethics.[1] Students should be helped to understand as many principles in each of these four areas as possible. As the different principles are covered, content from credit, banking services, insurance, investments, etc., would be employed to help students understand how the theoretical principles are applied in the everyday world in which one works and lives. In this situation, subject-matter content would be used to aid students in understanding and developing basic concepts and principles in the context in which they are encountered in the real world rather than being taught as an end in itself. In this setting, students would no longer simply be taught the different kinds of investments that one might make but would be helped to understand why a person might choose one type of

[1]Jones, Eugene. "The Content and Structure of Basic Business Education." *Business Education Forum* 32:15-16; December 1978.

investment over another based on the other business and economic goals he is trying to attain. Economic considerations and decisions would no longer be made as though they were separate entities to themselves but as though they were a part of the individual's total economic situation—either at the personal or societal level.

What kind of curricular pattern could best be employed to master the principles, develop the content, and achieve the desired objectives?

COMPREHENSIVE TWO-COURSE PATTERN

For many, many years, a number of prominent business educators have suggested that all the basic business content be taught in a two-course package—one course taught at the ninth or tenth grade level and the other at the eleventh or twelfth grade level. Such a comprehensive two-course pattern could ensure that students receive a thorough foundation in basic business/economic education. There would be many advantages to this kind of program:

1. Much of the duplication that now exists in the content of the various basic business education courses being offered could be eliminated. And with appropriate articulation with teachers of other business courses and with teachers outside the field of business, useless similar duplication of content could be avoided. Students would no longer be subjected to learning about available banking services in three or four different classes.

2. Content that has long been considered the responsibility of teachers of many different courses (but that often has not been effectively handled by the teacher of any one particular course) could finally be designated as the responsibility of the basic business teacher. Teachers of business, social science, and home economics courses often allude to the economic knowledge students must have to become informed and responsible voters. However, it is quite possible for all teachers to be aware of and to make students aware of the need for understanding economic concepts without any one teacher presenting pertinent facts and helping students develop those economic concepts necessary for making intelligent decisions at the polling place. Teachers and administrators could be assured that vital economic and basic business understandings needed for making intelligent voting decisions were being covered in a particular course.

3. The principles, content, and objectives suitable for students at the ninth and tenth grade level could be presented in the first course. The more advanced principles, content, and objectives could be presented in the course offered at the junior-senior level. With two courses being offered for groups with two different maturity levels, teachers would no longer have to cope with the problems associated with having freshmen, sophomores, juniors, and seniors in the same classroom. Interests and needs would be more similar in each of the two classes.

Even though many of the same principles would be referred to in classes at each of the two levels, the teacher of the junior-senior level course could build on the material and content that was developed at the ninth-

tenth grade level. The teacher of the eleventh-twelfth grade class would not have to start from "scratch"; class time could be spent in developing a more sophisticated level of economic understanding and dealing with more advanced kinds of economic and business problems that young adults will be encountering as they embark on careers and take their place in society.

4. Those students who do not finish their high school education would have the benefit of the first basic business course; they would have some of the knowledge they need to contend with business and economic problems.

5. All of the material taught in the two courses could be related. No longer would students be learning groups of isolated facts; facts would be used as the basis for developing concepts and for better understanding the basic principles that underlie all business and economic activity. Students would be taught to use foundational principles as the basis for solving various kinds of economic and business problems.

6. With all the basic business/economic education material restricted to two courses, students would have an opportunity to select additional vocational business courses or courses in other subject-matter areas. If all the basic business content were offered in two courses, it would probably be much easier to convince administrators, guidance counselors, parents, and students of the necessity for including basic business/economic education as a part of the secondary education of all students. Many people and associations concerned about the economic literacy of United States citizens have long advocated that some type of program be instituted at the secondary level to help combat economic illiteracy. The proposed two-year basic business program could be most effective in achieving that goal.

7. If a two-year basic business curricular program were to be considered a vital part of the general education of all students, the basic business courses might be the best way to ensure that business education courses will continue to be taught at the secondary level. Today, more and more authorities and self-asserted authorities suggest that the teaching of specific skills and knowledge should be eliminated from the secondary school and the undergraduate collegiate curriculum. As was true during the period of the Great Depression, the basic business courses might once again be the best way for keeping a "business education foot in the secondary school door."

8. A two-year basic business program might prove particularly beneficial to students in high schools which are too small to offer the wide array of basic business courses that have been available to students in many of the larger high schools. The economic education of all secondary school students could conceivably be more nearly equal than has been true or possible in the past.

PROBLEMS IN INSTITUTING A TWO-YEAR COURSE IN BASIC BUSINESS

Unfortunately, where there are advantages associated with a proposal, there are always some disadvantages to be overcome. Some of the disadvantages of the proposed two-year program include the following:

1. There is no single textbook that a teacher could use for teaching the principles of money management, the principles of free enterprise, the principles of economics, and the principles of business law and ethics. Numerous textbooks and materials would have to be consulted. Present general business textbooks present some of these principles and much material that could be used to illustrate the use of these principles in solving economic and business problems. The teacher would be forced to employ considerable initiative and spend a rather large amount of time in preparing the material to be used in teaching the two courses. Decisions would have to be made as to how to cover the various principles at each of the two different grade levels and what material and kinds of problems would be most appropriate for students at the ninth and tenth grade levels as opposed to that most appropriate for students at the eleventh and twelfth grade levels. Present texts could only be used as guides and resource materials.

There has never been a basic business textbook designed specifically for students at the ninth and tenth grade level or at the eleventh and twelfth grade level. Basic business teachers have always had to adapt material in available texts to the age and interest level of students they were teaching. Many of the textbook problems mentioned would probably be resolved rather quickly once publishers believed that a reasonable number of schools were intent on instituting a two-year basic business program.

The problem of determining content and concepts appropriate to the two different courses is deserving of continuing formal and classroom research. There are still a number of unanswered questions as to the best placement of content and concept development activities.

2. Many business teachers would be unprepared to plan and teach these two courses because they have not taken needed course work in the content area of business administration. To identify and teach principles in the four foundational areas designated, a teacher would need to be knowledgeable in economic theory, management, business law, marketing, finance, accounting, insurance, and consumer economics. It might be necessary for the business teacher to return to the classroom on a regular basis to take additional business administration courses, and it would be imperative that business teachers read both education and business journals to keep abreast of current business and economic conditions and problems and of suggestions for resolving these problems. These requirements are no greater than those that basic business teachers should have been meeting in the past. However, many teachers and many textbooks have covered basic business/economic education material in a very superficial manner and have not made much of an effort to guide students in identifying problems or relating the problems to principles to be used in problem solving.

3. For the two basic business courses to be successfully implemented into the secondary curriculum, business teachers would have to teach these courses with the same enthusiasm they teach the vocational subjects, and they would need to use their best creativity and initiative in designing and adapting the courses to meet the needs of enrolled students. Lack of interest,

enthusiasm, and initiative on the part of the teacher has probably killed more basic business courses than any other factor.

None of the problems mentioned are insurmountable. In fact, if business teachers successfully met these challenges, the two-course basic business structure would probably be recognized as one of the soundest programs in the secondary curriculum.

STATES AND SCHOOL SYSTEMS WITH SPECIAL SCHEDULING OR CURRICULAR REQUIREMENTS

Some states and some school systems have special curricular requirements or scheduling problems that might make it difficult, if not impossible, to offer the two-year basic business plan suggested.

In some states, there is presently a requirement that all students take a one-half year course in free enterprise, economics, or consumer economics, preferably at the twelfth grade level. Business teachers are usually certified to teach these mandated courses. In such an instance, any of these courses could be followed with a half-unit course in advanced basic business. Whether or not a business teacher instructs the state-required course, the teacher of the advanced basic business course could build that offering around the principles and problems not included in the state-required course. The half-year advanced basic business course would probably solve the problem of many students needing a half-unit credit to meet graduation requirements.

In schools in which work-study or block time programs are in effect, students might not be able to schedule advanced basic business during their final year. Thus, it is necessary to have this offering available to students at both the eleventh and twelfth grade levels and to have school administrators, counselors, and curriculum advisors alerted to the necessity of enrolling some students in advanced basic business during their junior year.

Scheduling difficulties created by cooperative and other vocational programs should not be used as an excuse for failing to enroll students in advanced basic business. Although basic business has never been subsidized by federal funds, it is an area that contains information just as important to vocational students as any of the skills and knowledges they will master in vocational courses. Vocational students need to be just as efficient in handling the various economic and personal business problems they will encounter as any other students. And they need an understanding of how the economic system works and the role of business in that economic system even more than individuals who enter jobs outside the field of business. Future accountants, secretaries, and other office personnel must understand the terminology of business, must appreciate the principles involved in operating a successful business, and be aware of the economic conditions favorable to business growth and development if they hope to rise above the entry level of work. To give students the skills and understandings needed to perform effectively certain functions in the business organization without giving them some insight and knowledge into the business world and economic system in which they will be working is to offer them only a

piecemeal program of job preparation. Principles of business organization and management and principles of economics will be valuable for many years after many of the specific vocational skills and understandings learned have become outmoded and are no longer relevant to the individual in tomorrow's business world of work.

SUMMARY AND RECOMMENDATIONS

The curricular pattern of basic business education should be designed to assist the citizens and workers of tomorrow to be able to understand and appreciate the American economic and business system and to be able to think rationally and solve problems effectively as they operate within that system. The most effective instructional pattern for teaching the needed facts and concepts, for providing students an opportunity to relate these facts and concepts, and for helping students learn to problem solve with this material would appear to be to offer two comprehensive basic business courses—one at the ninth or tenth grade level and one at the eleventh or twelfth grade level. Such a two-course structure might well enable basic business educators to overcome problems that have long been inherent in basic business offerings in the past.

Whether or not business teachers are willing and school systems find it feasible to incorporate a two-year basic business program as suggested, all curriculum planners and administrators should attempt to streamline and improve the basic business/economic education offerings in the following ways:

1. Duplication in basic business content should be eliminated wherever possible.

2. Basic business/economic education should be taught so that students learn principles that can be used for reasoning and solving business and economic problems. Students must learn numerous facts, but instruction should not consist solely of teaching facts. Students should be taught to relate facts and develop concepts and principles that can be used for problem solving in everyday situations.

3. The primary focus of basic business should be to enable students to become economically literate and to develop a better understanding of the functions of business in the American economic system.

4. Every student graduated from high school should have the opportunity to take a course or courses in basic business/economic education. Students should be aware that economic literacy is as important as other types of literacy. Counselors and guidance personnel should be made aware of the content and value of the basic business courses.

5. Basic business education/economic education should be designated as the primary responsibility of a particular teacher in a specified course. There should no longer be a question in the minds of school administrators and curriculum planners as to whether or not students have had the instruction needed to enable them to cope successfully with business and economic problems.

Basic business/economic education has presented business teachers with numerous opportunities and challenges. Some business teachers have taken advantage of many of the opportunities and have successfully met a number of the challenges. However, these teachers are in the minority. Will the business teachers of the 1980's improve these statistics? Will a more effective, revitalized basic business instructional pattern be implemented in *all* secondary school programs? Can the ideal become a reality?

PART IV

REVITALIZING BASIC BUSINESS PROGRAMS AT ALL LEVELS

CHAPTER 11

Basic Business Programs In the Secondary Schools

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Economic literacy is vital to the survival of American society—as we know it. Our human freedoms, as reflected in our democratic form of government, depend upon the decision making of millions of individual citizens. Our living standard can grow no faster than the soundness of the economic decisions made by our people. Our ability to meet our obligations abroad and to defend ourselves rests to a large degree on economic wisdom at home. Today we find ourselves and our system challenged on every level. On the personal level the typical American's economic responsibilities are larger and they are more complicated than ever before. In general, we are spending more, borrowing more, and lending and investing more wealth. Evidence mounts that we have failed to train many of our people for this broadened responsibility.

Individuals must to some extent act as their own economists—in their private lives and as citizens—and both they and the community will be better served if they are well informed and can think clearly and objectively about economic questions. People have to deal with a multitude of economic problems affecting their personal lives—how to spend their incomes and what to do with their savings. A knowledge of basic business helps them understand the consequences of their actions. As citizens, all persons have to make decisions on a wide variety of economic problems of local, state, national, and international significance and then express their views in the voting booth. The problems range all the way from voting on a school bond issue to making up one's mind about foreign aid, poverty problems, or labor-management relations. Some knowledge of economics is essential if these decisions are to be made intelligently. In this respect economic understanding is part of the basic fabric of a democratic society.

The need for economic literacy is so pervasive that it should play a vital role in the general education of *all* students. At various times throughout the development of curriculum we have seen this very claim made for other areas of knowledge, especially in the post-sputnik era. But the assault on our economic/political system by those espousing other systems has given us cause to be concerned. The central problem of all societies of unlimited wants and scarce resources necessitates the

replacement of emotional, unreasoned judgments by objective rational analysis of how this problem can be best answered.

Many leaders in business and social studies education have devoted the major part of their professional lives to advocating basic business education for all high school students. They have authored textbooks, spoken to professional groups, and written many articles expounding the virtues of basic business as a requirement for the well-educated individual. The colleges and universities have offered a wide range of content courses and an adequate range of courses dealing with methods of teaching basic business to prospective secondary teachers.[1] The question we must ask ourselves is, How effective have these efforts been?

To set the framework for further discussion of basic business in our curriculum, we must first look at some definitions. What is meant by basic business? What is economic literacy and can it be measured? Then, a listing of basic business courses offered in secondary schools with the major objectives of each will be given.

SOME DEFINITIONS OF BASIC BUSINESS

With the recognition that the purpose of education in a society is to pass on the cultural heritage of that society (defined here as all social institutions, behaviors, beliefs, ideals, mores, language, and abilities needed to cope with life extant in a culture) to succeeding generations, then general education may be defined as an identified group of educational experiences selected in order to develop in individuals those competencies that are characteristic of a responsible citizen.[2] Implied in this definition is the ability to deal rationally with problems associated with the business world and everyday living.

Daughtrey provides us with what is probably the most lucid definition of basic business:

> Basic business can be described as that broad area of knowledge which deals with the American enterprise system, which identifies and explains the role of business as an American economic institution, and which provides content and experiences that prepare the individual for effective participation as a citizen and consumer in the American society. Moreover, basic business is a part of the general education of every individual because its content aids him in developing an understanding of business as a basic institution in the American social process, of the role of business in the economy, and of the individual's economic role in relation to both his personal needs and to the economy as a whole. Further, basic business content aids the individual in developing a functional knowledge of the role of American business in relation to world affairs.[3]

If one of our goals is to help secondary students achieve economic literacy, how will we know when it has been achieved? What do we mean

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[1]Dawson, George G. "The Economics Preparation of Future Business Teachers." *Business Education World* 49:13; June 1969.

[2]Nolan, C.A.; Hayden, Carlos K.; and Malsbary, Dean R. *Principles and Problems of Business Education*. Third edition. Cincinnati: South-Western Publishing Co., 1967. p. 160.

[3]Daughtrey, Anne Scott. *Methods of Basic Business and Economic Education*. Second edition. Cincinnati: South-Western Publishing Co., 1974. pp. 41-42.

by economic literacy? W. Lee Hansen, writing in the Seventh Yearbook of the American Vocational Association, believes that no effective operational definition of economic literacy has been developed.[4] Garrison, also writing in the Seventh Yearbook of the American Vocational Association, thinks that "many would agree that a definition of economic literacy should include a blending of some substantive knowledge of economics that would enable individuals to obtain an overview of our economic system and to develop the ability to apply a rational approach to economic issues in order to function effectively as citizens in our society."[5] Part of the problem associated with defining economic literacy is that, as business educators, we have looked at business education in terms of education *about* business and education *for* business. Purists in economic education have consistently felt that only traditional economics courses can effectively teach economic literacy. Basic business educators see the possibility of teaching economic literacy in several different courses in the secondary curriculum—some with the "about" and some with the "for" business emphasis.

Assuming that we now know at least some of the factors which make up economic literacy in an individual, the business educator will find that there are many instruments published today which are reputed to be valid and reliable measures of this phenomenon. Most of the tests measure cognitive learning. The following tests that measure economic literacy are presently available:

Junior High School Test of Economics, Joint Council on Economic Education (junior high level)

Test of Understanding in Personal Economics, Joint Council on Economic Education (grades 9-12)

Test of Economic Understanding, Science Research Associates and the Joint Council on Economic Education (grade 12)

Test of Consumer Competencies, Scholastic Testing Services, Inc. (high school)

Although these tests have been normed, a decision must be made as to the interpretation of the scores. What minimum score must a student achieve to be considered economically literate? Is a 75 percent score adequate? One can see from this discussion the difficulties faced by the basic business educator in the task of helping students achieve economic literacy.

THE BASIC BUSINESS CURRICULUM—GRADES 7-12

Inasmuch as this entire yearbook is devoted to the topic of basic business education, only a few comments will be made here about the offerings. The courses include:

At the junior high school level. With the objectives almost the same today as at the time they were founded more than 60 years ago, junior high schools have continued to offer exploratory experiences in a number of

[4]Hansen, W. Lee. "The State of Economic Literacy." *Vocational Education and the Nation's Economy*. Seventh Yearbook. Washington, D.C.: American Vocational Association, 1977. Chapter 12, p. 233.

[5]Garrison, Lloyd L. "Economic Roles, Goals, and Curricula in Business and Office Education." Seventh Yearbook. Washington, D.C.: American Vocational Association, 1977. Chapter 14, p. 277.

subject areas, and these experiences usually serve as background for further study in high school. Today, the junior high school may offer business exploration, introduction to business (general business), and first-year or personal typewriting, all of which may include components in which basic business understandings can be enhanced. It is the contention of Garrison that even the courses "for" business offer an excellent opportunity to "help students increase their business and economic vocabularies through selected . . . materials."[6] Considerable research has been done concerning the possibility of teaching economic concepts through courses such as typewriting, shorthand, and accounting. The conclusions reached indicate that the economic understandings of students could be significantly improved when students studied appropriate materials in these nonbasic business courses.

At the high school level. The basic business offerings at the high school level have evolved over the years with regard to their content and objectives. However, all of them have as a major objective the improvement of economic literacy of those who study them. The following courses are included in the basic business curriculum, with the smaller schools not offering such a wide selection:

GENERAL BUSINESS. A study of the introduction of a general business textbook today would reveal considerable change of the objectives from that of a few years ago. Whereas the objectives were formerly grouped around business exploration, Duff concludes that even though "it is unreasonable . . . to assume that the teacher of the general business course will be able to develop in his students *all* the economic understandings they need to function as workers, consumers, and voters in our economy upon the completion of secondary education . . . it does not seem unreasonable to assume that he will do all he can toward this goal. At a very minimum, the teacher should strive to develop in his students:

1. The foundation on which they can build an understanding of the American economic system
2. An accurate concept of how the business sector of our economy operates to satisfy the needs and wants of individuals, families, communities, states, and the nation
3. A vocabulary which will allow them to understand the more common economic and business terms used in the press and other news media so that they can interpret news reports which affect the economic aspects of their lives
4. An understanding of the relationships between their personal decisions as consumers, as workers, and (later) as voters and the total economy
5. A background of economic and business information which will serve as an incentive to them to seek further information in this area in the event they discontinue their formal education."[7]

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[6] *Ibid.* p. 296

[7] Duff, Thomas B. "Improving the Content of the General Business Course To Better Meet the Need for Economic Understanding." *Emerging Content and Structure of Business Education.* Eighth Yearbook. Washington, D.C.: National Business Education Association, 1970. Chapter 22, p. 174.

Goals such as these represent, if they can be attained, a distinct improvement in the general business course objectives.

Commonly offered at grade 9 or 10, it may be offered in a few schools in grade 8. General business is the business education course that qualifies most strongly as general education. As the objectives listed indicate, general business today provides valuable information needed by all students.

CONSUMER ECONOMICS. In many schools, consumer economics represents the final economics course available to students. This course has also evolved so that the content has moved away from a total commitment to the consumption function toward helping students learn more about economic principles. One textbook which would be appropriate for the capstone course in economics, in addition to the regular topics, gives coverage to the following topics, viewed from the consumer's point of view:

An Introduction to the Structure of the American Economy

Business Organization

The Business-Consumer Relationship and the Role of the Government in Protection and Regulation

Taxation and Government Services

Fiscal and Monetary Policies

International Trade.

The author explains his approach as his "best efforts to distill from the widely accepted principles of economics that which is most useful to the student in the ordering of his or her own life."[8]

The consumer economics course is typically taught in the eleventh or twelfth grade and care should be taken that the same material taught in the general business course is not repeated on the same level of sophistication. In this course the teacher has an opportunity to probe deeper into economic concepts and introduce others which may have been inappropriate in the general business course.

ECONOMICS. Where does the economics course stand today in the high school curriculum? All evidence points to the fact that it is growing in popularity.[9] Economics has been taken over by the media to the extent that high school students have considerable exposure to many economic concepts by the time they reach the eleventh or twelfth grade. Although we might hope that business educators are in the forefront in fighting for the inclusion of economics in the curriculum and that they are the ones who want to teach the course, the facts indicate otherwise. When offered today, economics is usually taught in the social studies department. Why? The simple answer is that we, as business educators, have elected not to prepare ourselves to the extent that we feel comfortable teaching the course. Part of the fault lies with teacher education institutions, part with teacher certification agencies, and most importantly, part with business teachers who have not risen to the challenge of offering this most important course. Who is the best qualified? The data indicate that business teachers generally have the

[8]Mandell, Lewis. *Economics from the Consumer's Perspective*. Chicago: Science Research Associates, 1975.

[9]*Wall Street Journal*. July 16, 1981, p. 1.

most background in content courses related to economics. They are the most likely to have taken courses in how to teach economics. Obviously, academic background and teaching methodology in economics have not been enough to influence business educators to take the initiative in offering economics.

Efforts of organizations such as the Joint Council on Economic Education are making headway in solving this most important issue today. As of the fall of 1980, the JCEE economic education network included 49 state affiliated Councils and 205 Centers for Economic Education operating at colleges and universities. Business educators are cooperating with the Joint Council in providing economic education to secondary students.

Although economics as a separate subject is generally offered to eleventh and twelfth grade students, efforts are being made to integrate economic instruction into other courses offered at various grade levels. The fact that economics is now offered in an estimated 87 percent of junior and senior high schools indicates that it is approaching the status of a mainstream course of study.[10]

BUSINESS LAW. If one notes today that along with the growth of consumerism, agencies have been developed which aim to redress consumer problems in the marketplace, one can see the need for knowing more about our rights and responsibilities as consumers. Business law can provide the information students need to understand their rights when dealing with other people, whether individually or as representatives of institutions. It is a course that is primarily learned for personal use and is generally taught for one semester to eleventh and twelfth grade students. It often is combined with consumer economics or business principles and management to round out a full year of advanced-level instruction in basic business. With the adoption of the Uniform Commercial Code throughout the United States, the common body of knowledge in business law has become more coherent and universally applicable to the needs of individuals.

The subject matter of business law deals with promoting uniformity and stability in business dealings, a necessary ingredient of a free enterprise economic system. Business law has been and will continue to be an important course in the secondary curriculum basic business area and one that most students find to be interesting and relevant to their everyday needs.

BUSINESS PRINCIPLES AND MANAGEMENT. This is an area of basic business which has taken on a new emphasis in recent years with the introduction of entrepreneurship education. A primary emphasis today is on productivity in relation to a worker's income and the general price level in the economy. With many students not continuing formal education after high school, this area of study provides definite vocational training either for employment in the business world or for self-employment.

Business principles and management should include, but not be limited to, such topics as business organization, business finance, production and marketing theories, physical and psychological motivators, data processing,

[10] *Ibid.*

and government and worker relations. Through this course, a student should gain an understanding and appreciation of the many problems and challenges associated with working in the business world. Business principles and management is usually offered to eleventh and twelfth grade students.

ECONOMIC GEOGRAPHY. A recent article in *U.S. News & World Report* pointed out the vulnerability of the United States with regard to our short supply of many key minerals; for some of them we depend 100 percent on imports.[11] This fact highlights the importance of economic geography today. An appreciation of the economic interdependence of the world is important to all citizens. The economic geography course offers an excellent opportunity to integrate economic concepts such as productivity, specialization (division of labor) and trade, and the interdependence of the world's economic systems as students learn about where goods are produced, why they are produced in a particular geographical region, and how they are distributed throughout the world.

Business educators should take the lead in promoting economic geography as part of the business education curriculum, thereby promoting a sophistication that has been too long neglected among our public school graduates. Students at all levels could profit from instruction in economic geography. However, in the limited instances when it is offered, it is studied most commonly by tenth graders.

THE ARTICULATION OF BASIC BUSINESS

Curriculum at the secondary level has traditionally been divided into vocational, general, and college preparatory categories. Regardless of the program that a student is pursuing at the secondary level, it is important that basic business be a part of the program.

Articulation of basic business with vocational education. Business educators refer to courses *about* business and courses *for* business. The *about* relates to learning in which the objective is to teach the student how our economic system operates, both on a general and personal level. The *for* refers to vocational training which ultimately provides workers for the business world.

A work force is evaluated in terms of quantity and quality. Education for business increases the quantity of workers available and the quality of their skills. Increasing the quality of a worker's skills generally increases that worker's productivity. Increases in productivity lead to greater price stability and a higher standard of living in an economic system. To the degree that we are successful in teaching for and about the business world, the vocational and general educational objectives of our courses will be reached.

Business education programs have been successful in teaching the vocational skills. How successful have we been in teaching about our economic system? Tate wrote about this concern in a 1970 editorial:

[11] "More Than Oil in Short Supply Here." *U.S. News & World Report*, November 24, 1980, p. 38.

> Business has observed to its dismay that the turnover rate of high school graduates is high and costly. Business increasingly is experiencing the post high school student who comes with more maturity, education, and ability. Inevitably, business will in time, and perhaps in less time than we think, shy away from the immature, narrowly skill-trained high school graduate and turn to those who more nearly meet their needs.
>
> In order to perpetuate business education in the high school, business teachers will of necessity turn to general or basic business, which is really general education (if our programs are to survive).[12]

There should be no conflict between the goals of vocational and basic business education. In the broad view, basic business ideas and concepts can and should be integrated into vocational business education courses.

Articulation of basic business with the college preparatory program. The case for including basic business in vocational programs also holds true for the college preparatory program. Secondary precollege training is usually followed by a college program which leads to a vocation. Whether that vocation is in business or in any other field, the student needs a thorough knowledge of the content of basic business in order to have the economic literacy necessary to function as a responsible, informed citizen.

As business educators, we must recognize that college preparatory students may not realize their goal of going to college. In that case, every opportunity must be made available for them to gain economic literacy before graduation from high school. Fortunately, students in the college preparatory program are now more likely to take courses into which basic business information has been integrated. A recent survey underwritten by the Phillips Petroleum Company indicated that "the teaching of economics in some form is required by at least 29 states, up from 19 in 1978."[13] In many of these states, business educators are urged to integrate instruction in basic business or economics into all courses that they teach thus assuring that students will receive a greater amount of instruction in this vital area of knowledge. Although much remains to be done in our efforts to provide economic literacy for college-bound students, evidence indicates that considerable progress has been made.

Articulation of basic business with the general education program. The other program which remains is the general education category. Certainly these students enrolled in this program also need instruction in basic business. Those in the vocational program will most likely acquire job entry skills by the time they graduate from high school. Those in the college preparatory program will probably be going on to college where they will acquire some type of professional training. The general education student leaves school upon graduation without job entry skills and with no plans for further education. For this individual, the last opportunity to obtain basic business education on a formal basis is at the secondary level. It is vital that we counsel this student into basic business courses such as general business,

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[12]Tate, Donald J. "Blinders Obscure Vision." Guest Editorial. *Balance Sheet* 51:243; February 1970.

[13]*Wall Street Journal*, July 16, 1981, p. 1.

consumer economics, and business law. These courses will provide the coping skills needed in today's complex world.

CONCLUSION

On the societal level, basic business education is concerned with helping the individual learn how to be a more effective citizen. On the personal level, it is concerned with helping the individual cope with everyday needs when dealing in the marketplace. Courses such as general business, consumer economics, economic principles, business law, and business principles and management provide the content in basic business which enables the societal and personal goals to be reached. Regardless of whether a student is going to be a dropout, a vocational student, a general education student, or a college-bound student, he/she needs the basic knowledge provided by basic business education. The formal school setting, at the junior and senior high school level, is the most effective setting in which to gain the required economic literacy.

Fortunately there are many groups involved in basic business education today. Because of their efforts, there is hope for the future that we will gain the economic literacy for which we are striving.

CHAPTER 12

Basic Business Programs for Students with Special Needs

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One of the major goals of the 1970's was providing equal opportunities in education for people with special needs. Along with the vocational acts and amendments of the early 1960's, two other significant federal legislative acts were enacted which directly affected education, and especially the education of special populations within the regular schools. The Rehabilitation Act of 1973 (PL 93-516) and its amendments in 1974 (PL 93-112) set forth requirements regarding employment of and education practices for special needs students. Secondly, the Education of All Handicapped Children Act of 1975 (PL 94-142) was enacted to establish the rights of handicapped persons to a free and appropriate education. These acts, singularly and interactively, ensured that learners with special needs would receive the education and supportive services necessary for attaining their individual education and employment potential.

However, a shift in goals has occurred. In the 1960's and 1970's, programs and services were established to meet the needs of special needs students. However, current educational directions include the integration of these students into the regular, mainstream classroom in order to better meet these students' needs through appropriate classroom instruction and procedures.

Since basic business education is committed to providing opportunities for economic, consumer, and private enterprise education for *all* secondary school students, this indicates a willingness on our part to accept these special needs students and to revitalize our curriculum and courses to meet their needs. Therefore, in the 1980's, the goal of providing equal opportunities in education for special needs persons should become a reality. This emerging concept in education provides us, as business educators, new directions, expanded professional responsibilities, and exciting, yet complex, new challenges in basic business education.

BASIC BUSINESS EDUCATION

The development and attainment of basic business "survival" skills by all our students, including the students with special needs, is essential if we

hope to improve the skills and abilities of our students as consumers, workers, and citizens. Titles of courses generally included in the basic business education programs are general business, economics (both business and consumer), business law, business principles and management, introduction to business, and economic geography.

The basic objective of these courses is economic literacy, but basic business education should also provide learning experiences in, and an emphasis on, four areas:

1. Principles of economics, or economic theory
2. Business economics—understanding the organization and functions of business
3. Consumer economics—intelligent decision making in the purchase of goods and services
4. Personal economics—money management, investments, savings, personal recordkeeping, budgeting, etc.[1]

In summary, basic business programs should provide the information, skills, and attitudes necessary for any student to perform his/her various roles as a consumer, worker, and citizen.

The variety of units and subject matter in basic business education is almost endless. Topics can range from the consumer's role in the economy with an emphasis on personal money management, credit, insurance, saving, and investments; to economic understanding with its emphasis on the private enterprise system, economic situations (such as inflation), and the individual's role in the system; to career exploration and orientation; to the interdependence of business, government, and the individual, each with various rights and responsibilities within an economic system. Overall, the course should emphasize the problem-solving and decision-making role of the individual and the effect of these decisions on the economy as a whole.

Basically, the content and subject matter of basic business education need not be changed to deal with special needs students. We, as business educators, can take pride in our basic business education core. Sources for free and/or inexpensive materials are readily available through publishers, fraternal organizations, and private industries. A list of these sources (selected because of the availability of materials particularly for special needs students) is compiled at the end of this chapter. However, teacher competency in working with special needs students has become a major concern for teacher educators, teachers in the classroom, parents of special needs students, and the students themselves. Therefore, the art of teaching basic business education courses needs to be changed. However, before the discussion of the methods to use in presenting appropriate basic business content and materials to special needs students can take place, an awareness of who these students are, an understanding of their characteristics, and an awareness of the basic factors that affect their achievement are essential.

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[1]Daughtrey, Anne Scott. *Methods of Basic Business and Economic Education*. Second edition. Cincinnati: South-Western Publishing Co., 1974.

SPECIAL NEEDS STUDENTS DEFINED

People who are neither children nor adults exist in a state of dynamic limbo known as adolescence. This period is characterized by many exhilarating, embarrassing, and bewildering new experiences. Successful human adjustment calls for mastery of numerous social, affective, cognitive, and developmental skills. During adolescence, some individuals give the first indication that they cannot achieve those developmental expectations; therefore, they experience special needs in education. Other special needs adolescents, already identified in the educational system as having developmental problems, may continue experiencing deviant patterns of conduct or achievement.

Essentially, special needs students are those who have social, emotional, academic, or economic disadvantages and require special, modified, or supportive programs to assist them in succeeding in an education program. (This definition does not include the categories of physically or mentally handicapped populations which have their own special needs in education.) Special needs students are those whose education, social, or vocational needs have not been met by the mainstream educational programs currently existing in schools. Examples of special needs students are:

1. *Economically, socially, or culturally disadvantaged:* those students with economically deprived backgrounds or limited social experiences
2. *Academically disadvantaged:* a potential dropout or one who has already dropped out of high school becasue his/her educational or vocational needs have not been met by the regular mainstream program
3. *Learning disabled:* those students whose performance is below their estimated potential and who usually experience difficulties with reading, writing, speaking, listening, or mathematics
4. *Emotionally disabled:* those students whose disruptions in the classroom have no physical or neurological explanation. They tend to be easily distracted, disruptive, and hostile; they have difficulties relating to peers and to authority.

At the present time, the national prevalence rate of these special needs students is approximately 10 percent of the school age population.

CHARACTERISTICS OF SPECIAL NEEDS STUDENTS

An essential prerequisite for teaching special needs students is a thorough knowledge of the students, their backgrounds, fears, talents, habits, shortcomings, and lifestyles. However, the characteristics of these students are diverse. The following listing divides the generally accepted characteristics of special needs students into four categories (general, economic, personal, and educational) and can be used as a guide to help in understanding them and to provide the appropriate instruction for them:

General characteristics

Lack of success in academic competencies
Tendency toward impulsive decisions and judgments

Lack of self-confidence
Feelings of rejection
Poor self-concepts
Strong defense mechanisms (aggressiveness)
Unorthodox values system

Economic characteristics

Negative environment
Low income, poverty
High rate of unemployment
Poor housing
Inadequate diet
Improper rest
Poverty in the areas of comfort and recreation

Personal characteristics

Poor general physical health
Attitude of hopelessness
Emotional problems
Alienation from family
Poverty of imagination and ideas
Limited experiential background
Quickly yields to pressure
Abbreviated communication skills
Hostile, defensive attitudes, inner rage
Judged lazy
Delinquency (high rate of antisocial behavior)
Highly developed coping skills

Educational characteristics

Low ability
Severe underachievement
Lack of motivation
Lack of participation
Poor attendance record, truancy
Early dropout
Negative attitude toward intellectual tasks
Unwillingness to trust adults as sources of information
Poor logical reasoning
No books or magazines in the home
Limited communication skills
Limited computational skills
Short attention span
Major cognitive deficits.

It is important to remember, however, that special needs students are more *like* our regular students than they are different. They laugh, cry, fear, love, and long to become accepted and respected for their accomplishments. They also long to be successful so that they, too, can develop and maintain the self-respect and human dignity we all need. The key differences are (a) their own perceptions of self-worth, (b) their own perceptions of failure, (c) their lack of success in the learning arena, and (d) their styles of learning. With these key differences in mind, we must emphasize the relevance of the

basic business curriculum to their lives, and we must relate personally to students on two levels in the classroom—with our hearts and with our minds. The content that we provide in basic business courses is a part of their lives right now. Topics such as consumer decision making, credit, banking, insurance, business law and contracts, inflation, and the economic conditions of today are both interesting and relevant to special needs students. The methods and techniques we use to teach these topics, however, are crucial if we are to meet the needs of these students. Therefore, an orientation to the factors that usually affect student achievement and the methods that will help ensure a successful basic business program for special needs students is essential.

FACTORS THAT AFFECT ACHIEVEMENT

Educational factors. These factors relate to the way a student has been, or is being, taught. It is extremely important for teachers and administrators to face the growing recognition that for most students, achievement depends on the kinds of materials and techniques used in the classroom, and that all students do not attain optimal growth by using the same materials and by being taught in the same ways.

Knowledgeable teachers are able to present ideas in a variety of ways, and if only a single textbook is available, they learn to use it as only one of the cores of instruction. They supplement the textbook with paperbacks, pamphlets, magazine and newspaper articles, films or filmstrips, discussions, field trips, and speakers, to mention a few. They are aware of the kinds of thought processes and reading skills necessary for understanding the content of their courses; and these are the skills they teach to their students, in the ways their students can best learn them.

Psychological factors. Among the psychological factors which may affect achievement are intelligence, degree and range of interest, emotional and personal adjustment, the student's self-image, and the self-fulfilling prophecy.

INTELLIGENCE. Educators should be critical of the use of the single criterion of IQ to judge the expected level of achievement. Other factors should enter, such as teacher judgment of student abilities, professional judgment of educational and psychological abilities, nonschool personnel judgment of the student, and the student's own judgment (the student may be eager to learn, and achievement may be normal due to desire and interest).

INTEREST. Interest is probably as important a factor in achievement as intelligence. Most students strive to do a good job of what they enjoy or are interested in. Some students put forth little effort if they do not see an immediate reward. For example, a student may be fascinated by *Popular Mechanics* and may understand the contents, and yet may be unable, or unwilling, to read the classroom text and supplementary materials. Knowledgeable teachers maintain in their class an educational atmosphere of interest and motivation, knowing that students can and will read difficult materials if they are interested in them, whereas other materials objectively

judged to be at their level may be completely frustrating to them. Whether they have special needs or not, students will be more motivated to learn the basic business information, skills, and attitudes we teach if:

1. The learning has meaning as related to their lives.
2. They are made aware of the purpose or goal of the learning from the beginning.
3. They play an active role in the learning process through realistic activities.

By clearly explaining the content of the course, the relevance of the material, and the relationship of the activities to their future, teachers can lead special needs students to see the immediate rewards of learning the content of basic business courses.

EMOTIONAL AND PERSONAL ADJUSTMENT. These factors relate to the way students perceive themselves. Students may display a conscious refusal to learn as a matter of hostility or revolt against something unknown to the teacher. To deal with these adjustment problems, teachers need to listen to the student; be a friend as well as a teacher; be sincere, honest, and flexible; and provide an atmosphere where special needs students can overcome emotional and personal problems and can achieve successful learning patterns.

SELF-IMAGE AND SELF-FULFILLING PROPHECY. Some of the special needs students may, in fact, be late bloomers academically. Teachers, like people in general, are saddled with some of their own biases, prejudices, and value systems which carry over into the classroom. The "ideal type" of student becomes designated as a "fast learner" and the "less ideal type" as a "slow learner," and differential treatment begins. Students soon become aware of their labels and begin to live up to expectations, especially if this treatment starts in the early years of school; and in reality, a prophecy is fulfilled.

METHODS TO PROMOTE ACHIEVEMENT

As teachers of students with low self-concepts, we need to stress what they have and what they can contribute successfully. We need to let our students know they are unique, and above all, we need to emphasize their abilities, not their disabilities. We need to become aware of the processes and techniques which will maximize success and minimize failure so these special needs students can learn from the content basic business has to offer to them.

Any effective learning system requires a combination of those learning materials, learning activities, and teaching methods which are appropriate to the classroom needs. The primary factor to consider when devising a teaching/learning strategy is the composition of the student body itself. Not only may the abilities, backgrounds, maturity levels, interests, and experiences of individual students vary greatly, but these variations may occur within a single classroom. Certain teaching strategies then may work better with one group of students than with another group; however, the skillful teacher should quickly assess the strengths and weaknesses of the

class and select the methods that best fit the students rather than try to fit the students to a specific method.

Assessment. Business educators must determine that the content of the textbook selected for the basic business course can be easily read and understood by all students for whom it is intended. If this is not done, even the most well-planned teaching/learning strategies will not succeed. There are many diagnostic procedures for determining reading proficiencies, but the Cloze method, established in 1956, is brilliant in its simplicity. An article by Schultheis and Napoli in *Business Education Forum* gives you the directions necessary to devise a Cloze test on your materials.[2] This simple measure of reading comprehension and readability will give you insight into whether you are being reasonable in your reading requirements and will help you determine which of your students need the most help with their reading. The Cloze procedure will also give you information about your students' reading levels, whether they are at a frustration reading level (normally too difficult for the student to read, even with the help of the teacher), an instructional reading level (suitable if the student has guidance from the teacher), or an independent reading level (easy for the student to read independently).

Since both the word length and sentence length affect the difficulty of your textbook selection, and thus affect student success, reading speed should also be determined. To obtain a reliable reading speed for your students, ask them, perhaps on the first day of class, to read a section of your textbook for a five-minute period of time. Then, ask each student to determine the approximate number of words he was able to read and divide that figure by five to provide an estimated words per minute. Lastly, administer a short comprehension test in order to be sure that a measure of the "rate of comprehension" has also been taken. Such a test will give you a rough estimate of the rates of reading speed and the extremes of reading abilities in your class. Such information may help you realize and understand why some students are unreliable or unable to complete assignments. Once these techniques are completed, they will provide a foundation of information about your students, and you will be able to adjust your teaching style to the students' learning style.

Techniques. Since varying levels of students enroll in basic business courses, the purpose of varying activities and techniques (to supplement the regular textbook) is to help all students gain an understanding of their roles within the economic system. Basic business courses provide many necessary skills, attitudes, and understandings for all students, especially special needs students. We are fortunate in basic business courses that much of the motivation and interest needed in our students is already present; we as basic business teachers need only to supply the realistic activities through the various applications of techniques within the classroom. Teachers should search for the right combination of the methods listed below for the

[2]Schultheis, Robert, and Napoli, Kay. "Strategies for Helping Poor Readers in Business Subjects." *Business Education Forum* 30:5-12; November 1975.

most effective teaching/learning situation with special needs students in their classes.

INDIVIDUALIZATION. This technique, either combined with small group process or completely with a single individual, will allow students to succeed with the abilities they possess. The development of individualized instructional packets does require time and effort on the part of any instructor. However, they need not be expensive, elaborate or difficult to accomplish. The content should be matched to student interests and abilities and should also meet the objectives of the course. A set of directions to help you prepare packages of individualized instruction is given in a two-part article by Schultheis and Napoli.[3]

SMALL GROUPS. Forming committees of students to do field or library research in basic business content areas will provide an excellent opportunity for special needs students to express their ideas within the confines of a small group. The teaming of special and regular students can also provide for peer tutoring and peer instruction. While the students are working in small groups, spend some time walking around the room to answer questions. Many students who otherwise would not ask questions may do so during this time and will gain a better understanding of the materials. A simple activity related to small group projects is student research reports centered around a letter of the alphabet. Select a letter, say "C," and have your students do the research and prepare a report on a topic of their choice starting with the letter "C" (consumer advertising, credit, contracts, car insurance, consumer protection, comparative shopping, commercial banking, consumer choice, etc.).

ROLE PLAYING, GAMES, AND SIMULATIONS. The possibilities for role playing, games, and simulations are almost limitless; most of the concepts that can be developed through a lecture or discussion can also be dramatized through these techniques. They are also an aid in developing the special needs students' vocabulary. First, determine the common vocabulary and necessary technical vocabulary of the course; then teach both to the students. Students can prepare flash cards of terms for learning and reviewing. Games such as bingo, word down (where the student must pronounce the word correctly, use it in a sentence, and define it, or else sit down and let the other team have a chance), crossword puzzles, and seek-and-find puzzles will improve the vocabulary skills of your students. Overall, a gradual improvement in your students' reading proficiency and knowledge of course content will occur. With students using these words in situations that have meaning—such as in conversations, discussions, games, and puzzles—they will become part of their speaking, listening, and reading vocabulary. As a result, class discussions, role playing, and student questions will improve in quality; increased student retention and learning will take place; and you will find your students becoming more able to learn independently.

[3]Schultheis, Robert, and Napoli, Kay. "Developing and Using Learning Activity Packages in Consumer Education," Parts I and II. *Business Education Forum* 29:16-19, February 1975; 9-11, March 1975.

DISCUSSIONS, PANELS, AND DEBATES. Through these, special needs students can sharpen their thought processes and gain the confidence needed to express themselves orally. These activities should be led by the students, with the teacher serving as a guide to help them meet the objectives of the topic and to add any facts or thoughts that will continue the interaction.

LECTURES. Used sparingly, this method may be one effective way of presenting instructional materials in basic business courses. However, certain conditions should be met:

1. Limit the length of time to the attention span of the special needs students.
2. Limit lectures to a brief introduction of a topic, a summary of the content, the introduction of speakers or films, or an orientation to the goal of a field trip.
3. Supplement the lecture with audiovisual materials.
4. Give the students an opportunity to ask questions throughout the lecture.

FIELD TRIPS, SPEAKERS. A community-based basic business program involves the student in seeking and obtaining the services available to him as a consumer, worker, and citizen. Communities, whether large or small, have resources that can easily be incorporated into the classroom, can enrich the special needs students' knowledge of available resources within their community, and can illustrate the reality-based education that basic business provides.

CURRENT EVENTS. Media sources of information can be gathered by students and displayed. The up-to-date trends, tips, and data this source of information provides are very meaningful to special needs students because they can relate to the things happening around them right now; knowledge is immediately enhanced, and content is immediately reinforced as to its relevance and timeliness.

Notebooks can be compiled which include the findings, reports, class notes, current events, supplemental information, and career materials students collect, and these provide a great review for tests and quizzes. Also, bulletin boards on topics of individual or group interest can be designed and created by the students.

FILMS, FILMSTRIPS, AND TRANSPARENCIES. These visual aids should be thoughtfully and thoroughly integrated into the overall teaching/learning strategies of basic business courses. They complement the content of basic business, are available in vast numbers and topical areas, are relatively inexpensive, and can help those special needs students who cannot read well by allowing them to use other senses to learn or incorporate their learning from the textbook and supplementary materials.

CONCLUSION

Special needs students have invisible handicaps, handicaps that we have not geared our teaching/learning strategies toward. Therefore, start keeping

a diary, log, or notecard file of techniques and materials you are using with success with special needs students currently enrolled in your basic business program. In each course where you encounter special needs students in the future, refer to that file and reuse or adapt those techniques and materials for that particular situation. Part of this type of instruction and planning is habit; to compensate for individual learning styles, student characteristics, and achievement levels, discipline yourself for a year to do this type of teaching. You will then have a wealth of teaching techniques and materials that work, and your job will become easier. Remember, if the prevalence rate is only 10 percent and you are responsible for 120 students a day, only 12 students a day will require additional planning. However, if your school has installed special education programs and employed resource personnel, you have additional resources to help with the most severely disadvantaged students; and you may only have three to five students per day that require additional planning.

Since most business educators have had little or no professional training in special needs education, the problem of meeting the needs of special populations is immediate for the classroom teacher. It is crucial that we stimulate these students in their development toward becoming useful and contributing social beings, regardless of who they are, what they are, and how much they can do. Basic business education must be geared not only toward providing real life experiences through varying techniques but also toward the improvement of special needs students' reading, studying, and learning skills.

Several general techniques and tips to remember and use with the previous teaching methods suggested are:

1. Keep directions simple.
2. Make the beginning assignments short so initial success can be achieved (set up short-term goals for these students).
3. Provide immediate evaluation and feedback on student tasks and assignments.
4. Give short quizzes frequently to evaluate student progress and measure understanding of materials and assignments.
5. Allow flexibility within your schedule; vary content sequence.
6. Provide ample praise and encouragement for your students with special needs.
7. Have various materials which are interesting and relevant available and accessible to students; design a resource area where students can browse and investigate topics of interest.
8. Modify (but not weaken) your curriculum and methods; provide challenges at the student's level.
9. Use professional resources (special educators, guidance counselors, social workers, parents, community members); develop partnerships in education for the benefit of students.
10. Do not underestimate students' ability and potential; strive to develop their skills and intelligence to the highest degree possible.

11. Learn as much as possible about special needs students.
12. Provide a positive atmosphere of learning in your classroom; create a place where learning takes place and special needs in education are eliminated.

This chapter has made available numerous methods and ideas for meeting our responsibilities for special needs students within our basic business programs. It is now the business educators' task to utilize this information, to expand upon the ideas presented, and to improve the students' learning abilities. It is the responsibility and challenge of business education in the 1980's to give full attention to the art of teaching, and particularly to the art of teaching special needs students. By meeting this challenge and accepting this responsibility, the revitalization of basic business programs for students with special needs will be successful.

RESOURCE MATERIALS FOR STUDENTS WITH SPECIAL NEEDS

Abbey Press St. Minrad, IL 47577	Excellent self-concept materials.
CEBCO Standard Publishing 104 Fifth Avenue New York, NY 10011	Basic Skills Series (spirit master set).
Changing Times Education Service 1729 H Street, NW Washington, DC 20006	Varied, inexpensive consumer materials.
Channing L. Bete Company, Inc. 45 Federal Street Greenfield, MA 01301	Scriptographic study units.
Consumer Survival Kit Center for Public Broadcasting Owings Mills, MD 21117	Informational, entertaining television series; written materials also available.
Delta Pi Epsilon National Office Gustavus Adolphus College St. Peter, MN 56082	Consumer Education Programmed Learning Instruction Booklets—12 units.
Education Services Institute of Life Insurance and the Health Insurance Institute 277 Park Avenue New York, NY 10017	Free and/or inexpensive materials.
Follett Educational Corporation 1010 W. Washington Boulevard Chicago, IL 60607	Varied reading level materials.
Guidance Associates 757 Third Avenue New York, NY 10017	Consumer skill packages.
Iowa Association for Children with Learning Disabilities 920 Highwood Street Iowa City, IA 52240	Survival Skills for the Student with Learning Disabilities—excellent resource manual for resources.

Janus Book Publishers 3531 Investment Boulevard Suite 5M Haywood, CA 94545	Softbound survival skill materials varied in content.
Joint Council on Economic Education 1212 Avenue of the Americas New York, NY 10036	Numerous materials and teaching strategies for basic business.
McGraw-Hill Book Company 1221 Avenue of the Americas New York, NY 10020	The Contemporary Consumer Series—8 units.
Money Management Institute Household Finance Corporation Prudential Plaza Chicago, IL 60601	MMI Memo and the Money Management Library.
New Readers Press Box 131 Syracuse, NY 13210	Be Informed Series.
Popular Economics Press Box 221 Somerville, MA 02143	Two economic booklets: "What's Happening to Our Jobs" and "Why Do We Spend So Much Money?"
Procter and Gamble Educational Services Procter and Gamble P.O. Box 14009 Cincinnati, OH 45214	Free and/or inexpensive materials.
Sears, Roebuck and Co. Consumer Information Services Dept. 703; Public Relations Sears Tower Chicago, IL 60684	Free and/or inexpensive consumer tips.
South-Western Publishing Co. 5101 Madison Road Cincinnati, OH 45227	Consumer materials at varying levels.

CHAPTER 13

Basic Business Programs At the Postsecondary Level

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Twelve years ago, Jones pointed out that business educators have difficulty defining basic business.[1] Although the task is admittedly difficult, it is not impossible. Several specialists in basic business have presented acceptable definitions. One problem exists, however, in that most detailed definitions of the area seem to relate to the secondary school level and not to the postsecondary. A recent review of some of the best writing in business education over the last two decades uncovered no unique definition of postsecondary basic business. Postsecondary basic business courses were often identified, most notably Introduction to Business, but no definition of the field was discovered.

What does this mean? It could suggest that a separate, unique definition is unnecessary, that the mission, scope, and objectives of postsecondary basic business are the same as at the secondary level. This premise, however, is not supported by current practice. Whereas secondary-level basic business includes an extensive personal-use component, few practitioners see this as more than a minor side effect at the postsecondary level. Business law is generally thought to be a secondary school basic business course. Would we consider business law as basic business when taught in a school of accountancy? The secondary-level basic business area stresses economic education. Are macro- and microeconomics basic business when these courses are housed in liberal arts? If basic business education is, as most authorities suggest, general education in nature, is it being suggested that postsecondary entrepreneurial education should be a part of every student's education?

Numerous similar discrepancies could be noted, but the point is that despite admitted similarities, what we call basic business is very different when we move from the secondary level to the postsecondary. When members of this professional organization refer to postsecondary basic business education, we use a term that is appropriately defined only for another level. Further, when members of this professional organization

[1]Jones, Eugene. "Improving the High School Basic Business Program To Better Meet the Need for Economic Education." *The Emerging Content and Structure of Business Education*. Eighth Yearbook. Washington, D.C.: National Business Education Association, 1970. Chapter 23, p. 183.

refer to postsecondary basic business, we speak about a limited number of discrete courses characterized by diverse objectives and often taught by departments, divisions, or individuals whose professional affiliations are similar to our own. We understand about which we speak even though the area is ill-defined. We find ourselves manifesting an attitude similar to Lewis Carroll's Humpty Dumpty: "When I use a word it means just what I choose it to mean—neither more nor less."

Unfortunately (or perhaps fortunately), the formulation of an appropriate definition of postsecondary basic business education, accompanied by the requisite philosophical rationale underlying such a definition, is beyond the assigned scope of this chapter. Nor is it necessary. However such a definition should receive professional consideration if our organization continues to claim responsibility for this area at the postsecondary level.

DELIMITING THE AREA

As was mentioned earlier, postsecondary basic business consists of a number of courses. These courses are primarily considered to be *business administration* courses regardless of the academic entity administering them. As such the primary thrust of these offerings is to contribute to the overall program of students seeking some relative concentration in business. While it is stipulated that some students may derive general education benefits from certain basic business courses, these courses should not cater to that end, with the possible exception of consumer education.

Popular wisdom among members of this professional organization seems to suggest several courses or series of courses that might arbitrarily be included under the label of postsecondary basic business. The Introduction to Business course would be cited most often (and certain authorities consider it to be the *sole* offering in this area). The business law component is often suggested as a part of basic business. Although many individuals would include some sort of consumer studies as a part of postsecondary basic business, many would not. Recent years have seen education for entrepreneurship become classified as basic business. Finally, a new basic business course is appearing on the horizon, and that is the area of business ethics. This chapter will consider each of the above offerings, suggesting appropriate objectives, content, and placement.

NEED FOR POSTSECONDARY BASIC BUSINESS EDUCATION

Students are being prepared for careers in business by many types of postsecondary institutions. Business programs are offered by proprietary schools, area vocational-technical schools, community or junior colleges, and four-year colleges and universities. Should some basic business courses be offered by each of these institutions? The answer seems to be a qualified "yes."

Certain basic business courses seem to have an almost universal applicability. Business Ethics might be one such course. Since ethically

based decisions are frequently made in the business environment, it would appear that some grounding in business ethics is desirable. To argue that such decisions are only the problem of executives is an extremely narrow view of the function of the rank-and-file employee. Even the lowliest file clerk is frequently faced with ethical dilemmas.

A proper Introduction to Business course provides students with a perspective on the entire business world as well as the functional interrelationships within the firm. Is this perspective desirable? It is not only desirable, it is humanely important unless one holds the morally suspect view that the accounts receivable clerk has no business perceiving the importance of his or her job as an integral part of the system.

Certain basic business courses do not have this universal applicability. Entrepreneurial education is an example. Everyone is not suited for small business ownership. It would be irrational to expect all students to enroll in such a program.

The need for basic business at the postsecondary level becomes even more emphatic as the preparatory program's length decreases. Many basic business concepts can be assimilated into advanced courses. For example, the functional interrelationships within a given firm can be demonstrated in a college senior's policies course. But the student who intends to terminate formal schooling at the end of a 30-week clerical program in a vocational-technical school will never see a policies course. Is it more important for this student to spend 30 hours in drill on an office machine or spend that time enrolled in an Introduction to Business course? The question is moot, of course, but the issue does deserve serious consideration.

Ideally the question is not whether business students should be exposed to basic business courses. That decision should be self-evident. The real question is which courses the business student should take. An answer to this will depend on the goals of the student and the objectives of the student's program.

INTRODUCTION TO BUSINESS

The Introduction to Business course is perhaps the single most widely taught basic business course in postsecondary institutions. Preprofessional in nature, it is commonly offered at the freshman level and is often the first business administration course encountered by students. In practice, Introduction to Business offerings attempt to meet various objectives.

Objectives. First, without falling into overly specific Magerisms, Introduction to Business seeks to enable students to understand the environment in which business operates. It would seem essential for any beginning business student to have some feeling for the way in which business, labor, consumers, and government interrelate. In addition, students should have some understanding of how the specific components of an individual business firm interrelate and function.

Introduction to Business also serves a career exploration objective. As a young student is exposed to the various functional areas of the firm, interesting career alternatives may be discovered. In addition, a proper

Introduction to Business course should augment a student's economic education. Many basic economic principles can be pragmatically illustrated in ways that curves, graphs, and theoretical discussions can never do. Furthermore, student understanding of the principles of a private enterprise economic system can be enhanced.

Content. As in many academic endeavors textbook content seems to guide course content in Introduction to Business. A review of nearly 40 current textbooks in the field would lead one to believe that two types of courses are presently being taught: one could be called a *nuts and bolts* approach, while the other might be labeled *conceptual*. The nuts and bolts approach seems to be a streamlined version of secondary school General Business combined with twelfth-grade Business Principles and Management. Too much emphasis is placed upon proprietorships, partnerships, corporations, banks and other financial institutions, insurance, law, and so forth. Although each of these topics is relatively germane to the course, they surely are not deserving of heavy emphasis, particularly given appropriate expectations of postsecondary student achievement. The conceptual approach (where a number of ideas and/or ideals are proposed and examined from various perspectives) may be more desirable for postsecondary institutions. One such course is briefly outlined below and represents an attempt to integrate both social and behavioral science into the beginning business course.

ELEMENTS OF BUSINESS ENTERPRISE

I. Environmental Perspectives on Business
   - A. Brief history of the American business and economic system
   - B. Governmental influence on business
   - C. Rights and responsibilities of business
   - D. Rights and responsibilities of the consumer
   - E. Rights and responsibilities of labor
   - F. Appraisal of conflicting aims

II. Functional Perspectives on Business
   - A. Areas of managerial responsibility (planning, organizing, etc., including decision making)
   - B. Responsibilities of the marketing function
   - C. Responsibilities of the accounting function
   - D. Responsibilities of the finance function
   - E. Responsibilities of the production function

Note: Integrated throughout the course, whenever appropriate and germane, is information relative to career opportunities, small business, international business, ethical considerations, technology, and future considerations.

BUSINESS LAW

Most practitioners of postsecondary basic business view business law as an important aspect of the field. If an institution requires a law component, that component typically consists of a single course. Placement of Business Law varies significantly depending upon the type of postsecond-

ary institution involved. In four-year institutions closely hewing to AACSB guidelines, business law is generally a part of the common body of knowledge required of all degree seekers and is generally viewed as an upper division course. Those four-year schools not AACSB-inclined seem to place the course at either the lower or upper division. Of course Business Law is in the lower division in two-year-or-less programs.

Among postsecondary institutions, two or more business law offerings are not unusual. Although, as mentioned earlier, only a single course is typically required, additional work is sometimes desirable, particularly for prospective law school enrollees or accounting students facing the CPA examination.

Objectives. One overriding objective of any law component of postsecondary basic business education is to acquaint the student with the legal environment in which business operates. In addition, and of perhaps equal importance, business law instruction seeks to enable students to recognize and evaluate potential and actual legal problems or conflicts which might face them or their firms. This objective becomes more important as each successive day is seemingly accompanied by increasing regulations and laws that impact upon business.

Two goal-related caveats may be relevant at this point. First, the goal of Business Law is not to produce attorneys. The aim is only to provide enough knowledge to keep businessmen out of trouble. Additionally despite unavoidable personal-use implications, Business Law is not a personal-use course, per se.

Content. This section will detail a two-course sequence in business law. For those postsecondary institutions possessing both the financial and philosophic commitment, a two-course sequence should provide adequate breadth and depth of content. If a school is predisposed to offer only one law course, however, it is possible to select from this shopping list and structure a course to meet perceived needs. It is strongly suggested that contracts be a part of any one-course program.

BUSINESS LAW I

I. The American Legal System
   - A. Origins and nature
   - B. Constitutional law and business
   - C. Criminal law and business
   - D. The law of torts

II. Contracts
   - A. Offer
   - B. Acceptance
   - C. Consent
   - D. Consideration
   - E. Legality—Illegality
   - F. Form
   - G. Third party rights
   - H. Performance and remedies

III. Agency
- A. Creation of relationship and authority
- B. Relation of principal and third parties
- C. Relation of agent and third parties
- D. Relation of principal and agent

BUSINESS LAW II

I. Forms of Business Entities
- A. Proprietorship
- B. Partnership
- C. Corporation

II. Property
- A. Personal property
- B. Real property
- C. Estates and trusts
- D. Landlord-tenant relationships
- E. Environmental law

III. Sales
- A. Formation and terms of sales contracts
- B. Product liability
- C. Performance and remedies

IV. Commercial Paper
- A. Negotiable instruments
- B. Negotiation and holders in due course
- C. Liability and discharge
- D. Checks and documents of title

V. Credit
- A. Security in personal property
- B. Security in real property
- C. Bankruptcy

VI. Regulation of Business
- A. Business and the Constitution
- B. Competitive torts and protection of ideas
- C. Antitrust and exemptions
- D. Consumer protection

Precedent exists for additional, relatively specific business law courses where particular needs are perceived. These offerings might cover topics such as labor law, mergers and acquisitions, insurance law, health care law, real estate law, taxation, and so forth.

ENTREPRENEURIAL EDUCATION

While Introduction to Business and Business Law have long been considered a part of postsecondary basic business, entrepreneurial education is a relative newcomer, at least insofar as members of this professional organization are concerned. This new field of endeavor has grown quickly, however, as students expressed renewed interest in small business and as sources of program funding were developed. Whether recent federal budget

cuts will cause a decline in the growth rate of programs in entrepreneurship remains to be seen.

Programs in small business management range from a single course to two or even more specific course offerings. Presently the more extensive programs seem to be housed in community and four-year colleges, while the area is generally ignored by proprietary business schools and area vocational institutions. Current placement practices vary according to institutional category, but the single offering or first course in entrepreneurship seems at home in either the upper or lower division. Four-year schools of the AACSB orientation generally will place the entire program in the upper division since it is a specialization of sorts.

As was implied earlier, entrepreneurial education cannot be considered as a general or personal-use course. It should not even be considered as a core course for all business students. Not all students need or desire the knowledges and skills offered by this area.

One point appears worthy of mention at this time. Entrepreneurial education should not be limited to the reinvention of the wheel. Much of these programs seems directed toward managing traditional types of small firms: fast food franchises; janitorial services; restaurants; typical retail, service, or manufacturing firms. Although involvement in these types of firms might be new to a particular individual, such involvement is nothing new to those entrepreneurs who have gone before. Significant rewards can accrue to those enterprising individuals who conceive of totally new products and services or who perceive totally new ways to market their wares. Consequently, attention should be paid to this important component of entrepreneurship.

The remainder of this section will briefly describe a three-course sequence of entrepreneurial education. For those postsecondary institutions unable to offer such an ambitious undertaking, perhaps the first course—augmented with selected topics from the second—will suffice. In fact, a very adequate two-course sequence could be developed by interrelating the second and third suggestions.

A word about prerequisites may be appropriate. Limited previous coursework may be acceptable for the introductory course, depending upon the specific content included. However, the strategies course and the practicum both require at the minimum some prior exposure to each of the functional areas of accounting, finance, and marketing. An even broader background is beneficial.

ENTREPRENEURSHIP I—INTRODUCTION

Objectives. The first course in a small business program should seek to gently orient students to the field without inundating them with the technical. They should become aware of the role and function of small business within the overall economic and business system. Since the course will partially serve an exploratory function, students should become familiar with both the personal and managerial skills necessary for entrepreneurial success. Accordingly, students should be assisted in realistically assessing their

individual commitment and orientation to entrepreneurship in light of the requisite demands. Finally, students should be exposed to managerial practices entailed in starting, operating, and maintaining the small firm.

Content.

I. Introduction
   A. Small business in the economy
   B. Characteristics of small firms
II. The Entrepreneurial Career Decision
   A. Characteristics of successful firms and individuals
   B. Self assessment
III. Getting Started in Small Business
   A. Selecting the venture
   B. Organizational activities
   C. Sources of assistance
   D. The business plan
IV. Planning for Potential Problems
   A. Starting crises
   B. Crises of growth
   C. Crises of maturity

ENTREPRENEURSHIP II—STRATEGIES

Due to the nature of the second course, the objectives and content are described in a textual format. The primary objective of the strategies course is to build upon and further refine the skills learned in the introductory course. The major areas of managerial responsibilities—planning, organizing, staffing, directing, and controlling—are viewed in a uniquely small business context. More time will be allocated to study of small business activities, and the study will be conducted at greater depth than allowed in the introductory course. The primary content areas of the second course would include venture analysis, feasibility study, financial forecasting, organizational design, product planning and innovation, cost analysis and control, and market analysis and planning.

ENTREPRENEURSHIP III—PRACTICUM

The capstone course in an entrepreneurial education program, if a school can afford it, is an excellent way to provide students with a realistic exposure to small business and its myriad problems. The Small Business Institute of the Small Business Administration provides the model for this practicum. Student teams consisting of two or three members are assigned to individual firms within the community. These client firms can be selected through the assistance of the SBA or other sources, such as public solicitation, trade associations, or coordinator's contacts. Each team will analyze its client firm's organizational structure, goals, processes, etc., and will identify areas of strength and weakness. This procedure will culminate in a comprehensive written report to the client in which suggestions and recommendations for improvement are presented.

In-class activities will be primarily student-centered and will include two extensive oral reports. The first report will cover background data obtained on the client firm accompanied by any problem areas identified. The entire class will discuss these problem areas, suggesting solutions and alternatives. The second report, at term's end, will relate to the class any subsequent developments and the final disposition of the areas of concern. Instructor responsibilities are two-fold, primarily. The first, and most obvious, is coordinating the outside and inside activities. In addition, the instructor will provide in-class learning activities pertinent to those areas of client concern which are suggested by the reports.

As was mentioned earlier, this practicum could be combined with the second course in those instances where a third course is not feasible.

BUSINESS ETHICS

A recent survey conducted under the auspices of the College of Business Administration at Arizona State University indicated that the area of business ethics is receiving increased attention. Ethics should, of course, be part of every business class, and many schools follow this policy; however, a growing number of postsecondary institutions are offering separate courses in business ethics. Administrative responsibility for this course is generally at issue. In at least one instance, however, an academic division similar to those in which many members of NBEA would be comfortable has assumed responsibility for the course, and this department considers the course to be a basic business offering. Admittedly, this may be, and may prove to be, an isolated situation. However, the area is only now emerging, and this emergence may prove to be an opportunity for members of this professional organization.

Courses in business ethics presently are offered in either the lower or upper division of postsecondary schools. Although typically viewed as an elective, many authorities suggest that merit exists in requiring the course of all business students.

Objectives. The overriding objective of courses in business ethics appears to be that of orienting students to the discipline of ethics as a fundamental component in managerial decision making. To accomplish this end, students must be able to explore fundamental assumptions concerning the nature of human beings, organizations, and society. Further, the course seeks to enhance students' ability to logically communicate their beliefs about ethical issues in business.

Content. The content of the business ethics course is not ethics, per se. To be sure, some "teaching" of ethics is required but this should be minimized insofar as academic integrity will allow. Rather the bulk of the content will center on business policy analysis extended to include ethical dimensions. The aforementioned survey revealed that most practitioners in this field feel that much more emphasis should be placed upon applications rather than theoretical/philosophical principals. The suggested allocation would be approximately 10-20 percent theory and 80-90 percent applications.

BUSINESS ETHICS

I. What Is Ethics?
II. What Is the Role of Business in American Society?
III. Ethics and Capitalism
IV. Models of Man and Management

Note: Content will include current ethical issues that arise during the term.

CONSUMER EDUCATION

Many postsecondary basic business authorities include consumer education as part of their domain. The course may be titled Consumer Economic Problems or Personal Finance and is generally an elective. Unlike other basic business offerings, consumer education has only a personal-use objective. While examples of such courses can be found in all types of schools, it is perhaps most often found in less-than-baccalaureate institutions. As such it is generally viewed as a lower-division offering.

Objectives. A major objective of the consumer education course would be to help the student improve his economic literacy, particularly as it relates to his role as a consumer. In addition, the course seeks to enhance skills pertaining to all aspects of consumer decision making, such as buying, evaluating, investing, etc. Finally, students are encouraged to use a multidimensional approach to decision making, including alternatives based upon real costs, individual values and goals, and ethical considerations.

Content. The content of a consumer education course at the postsecondary level should be content worthy of that level. Perhaps a true consumer economic problems approach is most appropriate.

CONSUMER ECONOMIC PROBLEMS

I. The Consumer's Role in America's Social and Economic System
II. Elements of Consumer Decision Making
  A. Real-cost determination
  B. Analyzing values and goals
  C. Sources of cost-benefit data
III. Applying Theory to Problem Areas
  A. Coping with inflation
  B. Planning for security
  C. Tax planning
  D. Buying consumer goods
  E. Housing alternatives
  F. Employing financial institutions
  G. Managing financial resources

SUMMARY

No definition of postsecondary basic business education currently exists. Several collegiate courses tend to be included within the indistinct parameters. At this time, the area seems to consist of these courses or

sequences—introduction to business, business law, entrepreneurship, business ethics, and consumer education.

The area, albeit indistinct, is vital and has excellent growth potential. Inclusion of the recently emerging fields of entrepreneurship and ethics will receive much attention in future years, both from students as well as professionals. Basic business educators can enhance the field and their own positions by seizing these opportunities offered by postsecondary basic business education programs.

CHAPTER 14

Basic Business Teacher Education Programs

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Over the years, basic business teachers have been the target of a great deal of criticism. This criticism can generally be categorized into two areas: (1) their preparation to teach the basic business subjects both in terms of content preparation and their ability to use appropriate teaching methods; and (2) their lack of interest in, and commitment to, teaching the basic business subjects. Of course, these two areas are very closely related in that one would not expect a great deal of interest and commitment if teachers were not adequately prepared to handle the tasks assigned.

Congruent with this criticism of basic business teachers is the equally vocal criticism of the teacher education programs that prepared those teachers. This criticism is not without merit, for it is really the inadequacies of the teacher education programs that lead to the problems of the basic business teachers and the resultant criticism. For example, many business teacher education programs have tended to overemphasize their programs designed to prepare office occupations teachers at the expense of the basic business teacher education program. Of equal concern is the fact that there are still business teacher education programs that do not include the foundational studies component recommended for all business teachers (see section headed "Foundational Business Studies").

If basic business education is to be revitalized, it is paramount that basic business teacher education programs be revitalized. If not, little progress will be made. And this revitalization must take place not only in preservice programs (undergraduate), but also in programs designed for in-service teachers. In her article "New Approaches to Business Teacher Education: Some Considerations," Oliverio quotes Smith as follows:

> The main instruments for the improvement of the public schools are teacher education and research. Improvement of the schools is not going to be brought about by trying one innovation after another . . . .
>
> Teacher training and research are the twin forces to move the schools forward. Better teachers and better knowledge—these are the things that count. We cannot have one without the other. Knowledge gives us the basis of teacher training and better trained teachers enable the researcher to advance our knowledge.[1]

[1]Oliverio, Mary Ellen. "New Approaches to Business Teacher Education." *NABTE Review* 1:11; 1973.

Accepting this assessment of basic business education, the rest of this manuscript will address a basic business teacher education program designed to assist in the effort to revitalize basic business education at all levels by preparing teachers who are interested in and committed to teaching basic business courses. Primary emphasis will be given to the preservice (undergraduate) programs, while at the same time recognizing that efforts must be made to help those people who have been in the classroom for a number of years revitalize their teaching.

PRESERVICE PROGRAMS

Undergraduate teacher education programs are usually designed around three major areas of study: general (liberal) studies, content for the teaching speciality, and professional studies. In the sections that follow, each of these components will be addressed as they relate to the preparation of basic business teachers. Primary emphasis will be given to those two components over which business teacher educators have the most control, content specialization and professional studies.

General (liberal) studies. Business teachers, as all teachers, are expected to participate actively in providing general education opportunities to all students in our schools. Therefore, they themselves need a sound general education. Given the dual mission of business education, this is especially true of basic business teachers. Most statements regarding the general studies component include such areas as symbolics of information (linguistics, languages, communication skills, mathematics, logic, and information theory), physical and behavioral sciences, and humanities. In fact, the *NABTE Standards for Business Teacher Education* recommend that approximately one-third of a four-year curriculum for prospective teachers be comprised of general studies.[2] There are many in business teacher education who oppose this amount of general studies and would propose a decrease in it. They contend that the present level of general education cannot be maintained because of the increased demands made on teachers for broader teaching fields and additional professional education competencies. This would appear contrary to the trend one now sees, especially in schools of business, where efforts are being made to provide a more generalized education rather than the highly specialized educational programs being offered only a few years ago. Thus, in business education, there are others who suggest that the general studies requirement not be decreased. Instead, teacher education programs should help students maximize their use of it. That is, once students have developed the understandings, attitudes, and interests associated with general studies, business teacher educators should then help students understand the interaction of those general studies with similar content specialization and professional education studies associated with their particular field of study. To argue against general education in our business teacher education programs at the

[2] *NABTE Standards for Business Teacher Education*. Reston, Va.: National Association for Business Teacher Education, January 1982.

same time we claim to have a dual mission (occupational education and general education) seems incongruous. By helping prospective business teachers develop an understanding of the value of the general studies component and by helping them associate this type of study with their teaching interests, we might then expect them to give more than token acknowledgment to the general education (basic business) mission of business education.

Content for teaching specialty. In business education, the content for the teaching specialty is usually described as having two parts, foundational business studies and specialized business studies.

FOUNDATIONAL BUSINESS STUDIES. As noted earlier, a claim is made that in business education we have a dual mission. Business education programs embrace two separate and distinct yet closely related aspects. On the one hand we strive to develop an understanding of the principles, practices, and procedures of business and economic concepts that are essential for all persons regardless of age, social or economic status, or occupation or profession. On the other hand, we strive to prepare certain individuals for effective and efficient careers in office, sales, and service occupations and business entrepreneurship. The former is not only an integral part of the general education for all persons but also a basic requisite for persons preparing for any business career. Thus, it is important that the curriculum for all prospective business teachers include provision for basic business and economic learnings, regardless of the specific areas in business education they are preparing to teach, be that marketing, data/word processing, management, finance, communication, or basic business.

Foundational studies are considered to include such areas as accounting, business organization, business finance, economics, information processing, data processing, business law, management and administration, marketing, organizational behavior, and business communications. It must be understood that the foundational area is introductory. It is here that the prospective teacher learns the principles in those areas of business and economics that are essential for all people regardless of their occupations. Specific courses in each of the areas identified above may not be required. It is important, however, that all preservice teachers, as a result of their business foundational studies—

1. Learn the basic principles of economics and gain an understanding of and appreciation for the American economic system.
2. Acquire an understanding of the development of business enterprise in the history of our economy.
3. Become aware of their roles as intelligent consumers of economic goods and services.
4. Develop an understanding of the relationship between responsible democratic government and business enterprise.
5. Acquire an understanding of the functional areas of business.
6. Develop an adequate command of the foundations of business.
7. Develop an understanding of the related business administration disciplines.
8. Develop competence in business communication.

9. Understand information processing using computer applications for word and data processing.

To help put this in perspective, the *NABTE Standards for Business Teacher Education* indicate that the foundational business studies should comprise approximately one-fourth of the undergraduate program.

SPECIALIZED BUSINESS STUDIES. Specialized business studies can be described as that part of the prospective business teacher's program that has as its major objective the acquisition of that extra knowledge and understanding needed so that he/she has sufficient content preparation to teach confidently in the selected area of teaching. It is not unreasonable that teachers should be expected to know more than they actually will teach. Specialized study will provide sufficient depth so that teachers can take a scholarly approach to the subject matter. It provides them with the background needed to move beyond the facts and skills levels. It allows them to present new concepts and relate them to previous learning thus developing new concepts and better understanding. Finally, by having strong content background, they will be better able to assess the significance of change and become more responsive to it.

Assuming that the prospective basic business teacher will complete the foundational business studies as described above, what is the additional study that will provide the background so that he/she will approach a basic business teaching assignment with confidence and a positive attitude. While different approaches could be taken to identifying this additional study, the choice here has been to provide a list of possible courses/topical areas, along with a brief description, that students would take. This list was developed with three factors in mind: (1) the foundational business studies which it is presumed students would complete; (2) the types of courses that basic business teachers are called upon to teach; and (3) the recommendation in the *NABTE Standards for Business Teacher Education* that the specialized business studies component should comprise approximately one-fourth of the baccalaureate degree program.

Macroeconomic theory—determinants of national income, employment, and price level; aggregate consumption, investment, and government demand; the money market; the labor market.

Microeconomic theory—behavior of households, firms, and industries under competitive and monopolistic conditions; factors influencing production, price, and advertising decisions.

Comparative economic systems—functions of economic systems; market economy, liberal socialism, centrally planned economy, American and Soviet economies.

Labor economics—role of labor in economy; labor as a factor of production; population and the labor force; economics of labor markets; labor market institutions; theories of wages and employment; unions and collective bargaining; public policy.

Money and banking—historical development, present characteristics, and economic role of financial institutions; commerical banking, the Federal Reserve system, the monetary policy.

Business and society—basic economic and social goals with emphasis on American society; business as an institution, its relationship to other institutions and to society; ethical and practical conflicts in the role of the firm and the manager examined in the context of the public policy process; current social issues and their impacts on business.

Government and business—the role of the free enterprise system; structure of American industry; economic and social consequences of big business; public policies toward private enterprise; public regulation, public ownership; antitrust laws and their applications.

Law of personal property, sales contracts, commerical paper, and wills and estates—basic concepts of personal property, including rights of possessors, bailees, finders, and holders of security interests; laws affecting sales of goods contracts and contracts referred to as commercial papers (negotiable instruments), with emphasis on effect of the Uniform Commercial Code; the law of wills and estates in passing rights to property in event of death.

Risk management and insurance—recognizing and evaluating property, liability, and personal risks facing a business firm, a family, or some other economic unit; the tools of risk management; selecting an insurer; public policy issues such as government regulation, social insurance, pensions, and automobile insurance.

Life and health insurance—types of individual life and health insurance contracts; insurance and pension components of employee benefit plans; programming and estate planning; selection of life and health insurance.

Property and liability insurance—types of property losses and their measurement; legal doctrines and statutes creating liability risks for business firms, families, and other units; analysis of major property and liability insurance contracts.

Consumer economics—the consumer in our economic system; fundamentals of financial planning and personal economic decision making and the application of those concepts to such specific areas as food, clothing, shelter, automobiles, insurance, saving and investing, credit; obtaining and evaluating consumer information.

Principles of small business operation—environment and management of a small business; problems of initiating a business; financial and administrative control, marketing policies; legal and government relationships.

Introduction to business—overview of economic environment in which business operates; production, finance, personnel, and marketing.

Professional studies. It is in the professional studies component that prospective teachers study about the nature and aims of education, the curriculum, the organization and administration of a school system, and the process of teaching and learning with respect to their historical development and the related philosophical issues. This type of study helps to provide the student with a set of contexts in which educational problems can be understood and interpreted. It is in the professional studies component, too, that prospective teachers study the teaching and learning theory that provides them with the principles of practice. The study of teaching learning theory provides laboratory and clinical experiences through which the student may conceptualize principles and their application to practical problems.

Finally, the professional studies component also provides a direct, quality experience over an extended period of time in the classroom.

Because business teacher educators have control over only certain aspects of the professional studies component, focus on three areas where efforts might be made to improve the quality of experience thus aiding the basic business revitalization efforts.

INTRODUCTION TO BUSINESS EDUCATION. Most business teacher education programs now provide an introduction to business education or survey of business education course to be completed very early in the student's academic experience. One of the benefits of the course is that it provides an opportunity for students to analyze their aptitude for, interest in, and attitude toward business teaching. Because this is often the first time students are introduced to basic business education, it must be a positive experience. The business teacher educator handling the course must have a complete understanding of basic business education and the contributions it can make to the education of all young people. If such is not true, teacher educators who do have this understanding should be brought to class to spend time with students discussing basic business education. Of equal importance is the certainty that students making observational visits to secondary basic business classrooms see only good basic business teachers in good basic business courses.

METHODS. Basic business education methods courses should be designed so that they let students apply, in a controlled situation, the learning theories and principles previously studied. In addition to the application of learning theories and principles, opportunity must be provided for students to learn about curriculum development, planning, selection of resources, motivation, diagnosis of learning difficulties, individualizing instruction, classroom management, evaluation, and working with the special needs student, if separate courses in such areas are not required. If specific courses have been completed, the basic business methods teacher will want to help students relate these prior learnings to the basic business areas. It is in the basic business methods course that the teacher educator will have the most direct impact on the student's confidence and readiness for teaching basic business subjects. It is imperative, therefore, that the teacher educator have a strong background in the basic business content areas, the ability to demonstrate the most effective teaching methods, and a strong commitment to basic business education.

A litany of all the methods and materials that might be included in the basic methods course will not be provided here. Suffice it to say that those methods included should focus on group processes and the higher levels of learning. Values clarification activities, role playing, gaming and simulation, case studies, committee work, special projects, lecture-discussion, question-answer, and problem solving are just some of the techniques that might be discussed and demonstrated by the methods teacher. It is important that the methods teacher demonstrate and not just talk about teaching methods.

After appropriate demonstration by the teacher educator, opportunity must be provided for students to use these various methods themselves. Students seldom develop a commitment to the subsequent use of these methods if they don't have the opportunity to observe them and try them out.

For additional methods that one might want to address, the reader is referrred to other chapters in this yearbook that focus on methods and materials and instructional patterns used for revitalizing basic business.

STUDENT TEACHING/PRACTICUM: As a culminating experience prospective teachers must be given the opportunity to practice that which has been learned. Such an experience allows the student to assume major responsibility for the full range of teaching duties in a real school situation. Supervision and guidance are provided, of course, by a qualified college instructor and a teacher from the school.

Because a poor student teaching experience can destroy one's confidence and produce a negative attitude toward basic business, the placement must be made with care. Only those who are master basic business teachers should be used. The college supervisor, the cooperating teacher, and the student teacher should all work together to plan a schedule of experiences that will build on previous learnings and help the student teacher grow in his/her professional role. Experiences should include planned use of a variety of teaching methods, short- and long-range planning, involvement in curriculum review and development, diagnosis of learning difficulties with suggestions for remediation, and review and selection of materials among others.

SUMMARY

A program for educating prospective basic business teachers has been presented. Completion of such a program should provide the beginning basic business teacher strong content background, an understanding of the educational process, and a repertoire of teaching methods that would enable him/her to approach that first year of teaching basic business with confidence and a positive attitude.

At the same time, it is important to recognize that completion of an undergraduate basic business teacher education program will not result in a "finished product." Therefore, teacher education programs must also address their effort to in-service and graduate study. This should be done so that in addition to the regular academic offerings, special workshops and seminars are provided to help acquaint teachers with content changes, curriculum developments, new materials, and innovative methods.

CHAPTER 15

Economic Education Programs Sponsored by Business

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Business-sponsored economic education programs go back over 50 years to the Great Depression. The widespread distrust of the economic system that followed the economic collapse of the 1930's led to a substantial amount of reformist and restrictive legislation directed at business. Some of the legislation sponsored by the New Deal included Social Security, the Wagner Act, wage and hour laws, unemployment insurance, and antitrust activity.

Many business people were deeply concerned about the ability of the economic and political system to survive these attacks. This environment encouraged attention toward economic education and increased support and sponsorship by business for this type of educational program.

The cost of these programs over approximately 50 years has been calculated to be in the billions. The programs have included:

- Internal and external brochures, magazines, and newspapers
- Advertising via TV, radio, newspaper, and magazines
- Motion pictures and slide films
- Seminars, conferences, and workshops
- Speeches by company personnel and organizational support by company staff.

As in most organizational communications, print has been found to be the most popular medium.

In a major study sponsored by the Research Foundation of the Financial Executive Institute, it was determined that the audience most often addressed by the sponsors of the programs included in the study was employees.[1] In descending order of frequency, the audiences were employees, general public, students, employees' families, shareholders, opinion leaders, teachers, managers, retirees, consumers, and community.

Economic education programs sponsored by business have been broadly of two types:

- One might be termed the advocacy program. These programs stress severe threats to the free enterprise system and set about to defend the system.

[1] Emanuel, Myron, and others. *Corporate Economic Education Programs: An Evaluation and Appraisal*. New York: Financial Executives Research Foundation, 1979. 382 pp.

- The other is the so-called academic program. These programs emphasize broad economic principles and are directed primarily to teachers and students. They are conducted by academicians but are paid for primarily by business firms. An example is the program of the Joint Council for Economic Education which is discussed in some detail later.

ECONOMIC EDUCATION PROGRAMS OF BUSINESS FIRMS

The larger body of economic education programs has been of the advocacy type which attempts to defend the free enterprise system. Unfortunately the efforts of these and other programs have not been successful. Surveys indicate that the percent of the public having confidence in American business dropped from 55 percent in 1969 to 15 percent in 1976.

Despite this, a study conducted in 1977 showed that 90 percent of the public not only supports the U.S. economic system but says that the public should be prepared to sacrifice in order to preserve it. Obviously American business firms have not communicated to the public their vital role in our economy.

In the FEI Research Study, previously mentioned, more than 1200 firms were surveyed and 416 replied. Despite the widespread publicity about the need for economic education, only about 10 percent of those companies surveyed indicated that they had undertaken an economic education program in the decade of the 1970's or that they plan to do so.[2] The companies identified in the FEI study as sponsors of economic education programs include:

Aetna Life & Casualty
Airco, Inc.
Allied Chemical Corporation
Aluminum Company of America (Alcoa)
American Airlines
American Bank and Trust Company
American Fletcher National Bank
AT&T Long Lines
Armstrong Cork Company
R. G. Barry
Bethlehem Steel Corporation
Clorox Corporation
Continental Group, Inc.
Crown Zellerbach Corporation
Dart Industries, Inc.
Dow Chemical Company, U.S.A.
E. I. Du Pont
Eastman Kodak Company
Exxon Corporation
Florida Power & Light Company
General Electric
General Motors Corporation
General Telephone & Electronics Corporation (GTE)
Getty Oil Company
B. F. Goodrich
Goodyear Tire & Rubber Company
Green Giant Company
Gulf Oil Corporation
Hercules, Inc.
Kraft, Inc.
Lee Tire & Rubber Company
Lockheed Aircraft Corporation
Marathon Oil Company
Metropolitan Life Insurance Company
Minnesota Mining & Manufacturing Company (3M)
Motorola, Inc.
Mountain Bell
Northwestern Mutual Life Insurance Company
Philadelphia Electric Company
Phillips Petroleum Company
Pitney Bowes

[2] *Ibid.*, pp. xiv-xv.

Procter & Gamble Company
Publix Super Markets, Inc.
Ralston Purina Company
Royal Bank of Canada
St. Francis Hospital
Sears, Roebuck & Company
Shell Oil Company of California (Chevron)
Sun Company
Sundstrand Corporation
Texas Instruments, Inc.
TRW, Inc.
Uniroyal
Wheelabrator-Frye, Inc.
Whirlpool Corporation
World Research, Inc.[3]

The study of the economic education programs of these business firms, based on some 300 print and audiovisual pieces, found the subjects treated in these economic education materials ranged as follows, from most to least frequent:

Profits
Free enterprise system
Government regulation
Taxation
General economic principles
Productivity
Inflation
Annual report on state of sponsor's business
Competition
Energy
Employee benefits
Capital investment
Consumerism
Employee compensation
Divestiture
Job security
Wage/price controls
Business cycles
Environment
Financial planning
World economic systems
Financial definitions
Stock market
Company policies and their progress
Exports
Interest
Retained earnings
Product and service quality.[4]

ECONOMIC EDUCATION PROGRAMS SUPPORTED BY BUSINESS

Several large organizations, supported entirely or primarily by business firms, have done major work in the area of economic education. A number of these organizations and their programs are discussed below.

The Joint Council on Economic Education, 1212 Avenue of the Americas, New York, New York 10036.

The Joint Council on Economic Education is a unique organization which aims to improve and expand the teaching of economics in the nation's schools and to improve the quality of economic teaching. Business people serve on the board along with academicians and labor people. The budget of over one million dollars annually is substantially funded by business firms and foundations.

Part of the unique character of the Joint Council is the affiliate Joint Council in every state. Within the state Joint Council are one or more Centers for Economic Education.

The state Joint Councils are organized in a manner similar to the national Joint Council, with business people, academicians, and labor people

[3] Ibid., pp. 53-54.
[4] Ibid., pp. 32-33.

on the governing boards. A key concept of the Joint Council approach to economic education is that of leverage. Efforts are directed toward teachers who will hopefully carry the message to their students. The number of students reached by a teacher might vary from 15 or 20 to over 100 each year.

An example of the work of the Joint Councils can be seen in the following Program Highlights for the Hawaiian Joint Council on Economic Education, 1980-81.

Program Highlights, Hawaii Joint Council on Economic Education, 1980-81[3]

Teacher education. In addition to regular and extensive consultant services to teachers in the field, the Council sponsored two 3-credit courses in economic education during the summer of 1980. A total of 76 elementary and secondary school teachers enrolled in the tuition-free courses. This summer we have over 80 teachers enrolled in two courses.

"The role of business in a free society." During the fall semester, 1980, the HJCEE and the University of Hawaii colleges of Education and Business Administration sponsored a unique course which brought teachers and business leaders together to discuss the achievements, problems, and prospects of American business. Each class session combined theory (taught by Dr. Ralph C. Hook, Jr., University of Hawaii, College of Business Administration) and actual experience (led by local business leaders). Twenty-eight teachers enrolled in the course. Another such course is planned for this fall.

Research project: economic knowledge and attitudes. Data collected during the spring of 1979 were analyzed during the past year by Dr. Steve Jackstadt, Director, the HJCEE and Dr. Jerry Brennan of the University of Hawaii, Department of Psychology.

Survey of Hawaii secondary schools. This spring the Center for Economic Education undertook a survey of Hawaii's 60 public and private secondary schools in order to determine how many of those schools offer complete semester or year-long courses in economics and/or consumer education. Of 40 schools responding, 23 said they offered economics and another 14 said they offered consumer education. Fifteen schools offered both. In sum, 37 schools of 40 responding offer either economics or consumer education. This is up from 7 schools offering economics and/or consumer education in 1971.

State curriculum guide for economics. For the past semester (spring 1981), the Center for Economic Education has been working with Mr. Paul Suyama, economics teacher at Aiea High School, and Dr. Elaine Takenaka, the Hawaii State Department of Education's Social Studies Program Specialist on the preparation of a statewide guide for semester and year-long courses in economics. The guide will contain key concepts, objectives, detailed descriptions of activities and sample course schedules for economics. (The guide was published in the fall of 1981 by the DOE.)

Research library. So far during the 1980-81 school year, over 200 teachers have borrowed nearly 700 items from the curriculum resource library at the Center for Economic Education. We have expanded the number of films on loan through the Center from 37 to 61 over the past year.

"Economics and the individual." The Agency for Instructional Television is currently developing a television film series on economics for students in

[3]Material distributed at the annual meeting of the Hawaii Joint Council on Economic Education, May 21, 1981.

grades 8-10 entitled "Economics and the Individual." The DOE has become a member of the consortium which is funding development of the series and the HJCEE and the Center for Economic Education will assist in raising funds for implementation of the program in Hawaii's intermediate schools. The materials will be available at the beginning of the 1982-83 school year.

Junior Achievement, 550 Summer Street, Stamford, Connecticut 06901

Junior Achievement is a national organization funded by business organizations and foundations with the purpose of providing practical economic education for high school students. Affiliate Junior Achievement organizations are found in cities across the United States. These affiliate organizations, under the direction of a board of business leaders, provide an extracurricular activity for students in high schools. In the JA program students have an opportunity to take what they have learned in school and implement it in a practical business environment outside of class.

Students organize and operate miniature businesses which exist for the duration of a school year. Each business is supported by a team of advisors from a local business firm. These advisors are there to counsel and assist but the students manage the business. Not all JA businesses make a profit, but many do, and all develop a greater appreciation of what is involved in making a profit.

Junior Achievement, founded over 50 years ago, is one of the pioneers in economic education.

Project Business, 550 Summer Street, Stamford, Connecticut 06901

Project Business is a division of Junior Achievement, Inc. Initiated by Junior Achievement, Inc., Project Business is an economic education program funded by local businesses and taught by business people. Senior business executives visit eighth- or ninth-grade classes in selected schools one hour per week for nine to 15 weeks.

The *business consultant*, as the business person is called, uses a well developed manual to present a series of economic education topics such as the nature of economics, different economics systems, principals of supply and demand, competition, consumerism, money and financial institutions, and career exploration.

In the spring of 1981, Project Business was operating in 105 U.S. cities and reaching a student audience of about 174,000. Pilot testing of the program was done in Jackson, Mississippi, and Orlando, Florida, nine years ago, with a $750,000 grant from the Kellogg Foundation.

Project Business began in Honolulu, Hawaii, in the fall of 1981 with 15 classes in five schools, increasing to 25 classes in the spring. In Hawaii the sponsoring company provides the business consultant and buys educational materials for the students. There is no cost to the schools. This plan is similar to that used by programs in other cities.

An independent evaluation team from New Educational Directions, Inc., completed an eight-month study of Project Business, involving site visits and national surveys of students, teachers, consultants, and Junior Achievement staff in September 1979. They found that Project Business is doing well.

Some of the findings were:

- Students learn. Of the consultants, 99 percent say their students develop a better appreciation of the American economic system. A total of 86 percent of the teachers confirmed this.
- Teachers learn. A total of 95 percent of the teachers reported learning from Project Business.
- Consultants learn. Of the consultants, 92 percent reported acquiring a better perspective on young people.
- School business relationships are strengthened.[6]

The Advertising Council, 825 Third Avenue, New York, NY 10022

In 1974 the Advertising Council conducted an in-depth, open-ended study to find out what people really understood and how they felt about the American economic system. Based on this study the booklet, *The American Economic System . . . and Your Part in It*, was developed and featured in advertising which offered it free to those who requested it.

The Advertising Council has now set off on a new advertising campaign, based on the question: "How High Is Your E.Q.?" The Advertising Council's program to promote economic education in the U.S. is the most extensive and probably the most expensive in U.S. history.

American Economic Foundation, 51 East 42nd Street, New York, NY 10017

Materials offered by the American Economic Foundation include advertisements, booklets, and pamphlets on the free enterprise system, profit, taxation, and inflation. Materials are directed to employees, school audiences, and the general public.

The Business Roundtable, 405 Lexington Avenue, New York, NY 10017

Subjects covered in advertisements by The Business Roundtable include the free enterprise system, profits, capital investment, inflation, taxation, and productivity. These advertisements are directed to the general public, but have been used for employee and school audiences.

Chamber of Commerce of the United States, 1615 H Street, N.W., Washington, D.C. 20062

The national Chamber provides communications tools and techniques for use in programs sponsored largely by local and state chambers. These materials are also generally available for a fee to members and students, business and civic groups.

National Association of Manufacturers, 1776 F Street, N.W., Washington, D.C. 20006

The National Association of Manufacturers is currently involved in economic education programs through a tax-exempt organization called The Foundation for Economic Freedom.

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[6]New Educational Directions. "Evaluation of Project Business—Executive Summary." September 1979. 5 pp.

CONCLUSION

American business has spent billions of dollars on economic education over the past 50 years since the Great Depression. Despite these large expenditures and substantial effort by a few firms, the results are unsatisfactory. Survey after survey reports the low level of public confidence in American business. One survey indicated a decrease in the public confidence level in American business from 55 percent to a low of 15 percent during the period from 1969 to 1976.

This situation exists at the same time that a large majority of the public supports the U.S. private enterprise system. For example, a Yonkelovich, Skelly and White survey of corporate priorities in 1977 showed that more than 90 percent of the public not only supported the U.S. economic system but felt that the public should be prepared to sacrifice in order to preserve it.

Clearly the advocacy-type programs, which include most of those conducted by American business, have been unsuccessful. What seems to be needed is more of the academic-type programs emphasizing economic principles and objectivity.

Unfortunately, most U.S. businesses do not engage in formal economic education activities even with employees. This fact alone may account for public dissatisfaction with business. In the FEI study previously mentioned, only 10 percent of the firms surveyed indicated that they have undertaken an economic education program in the decade of the seventies or that they plan to do so.

Although there is increased interest in economic education, the effort is totally inadequate. A massive increase in the number of programs that emphasize economic principles and objectivity is needed. More programs by organizations with third party creditability and increased involvement of American business through programs conducted for their employees and stockholders would help.